

 For information

 lsc

Leading learning and skills

North East Regional Strategic Analysis 2008

October 2008

For individuals and organisations
interested in learning and skills

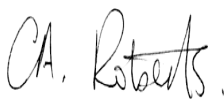
Contents

Foreword	3
Introduction.....	4
Enabling the system to deliver.....	5
The North East region	6
Demographic context.....	6
Population profile	6
Ethnicity	11
Lone parents.....	13
Deprivation.....	14
The Labour market context.....	15
Economic activity	17
Worklessness.....	20
Economic Development	24
Young people	26
Participation in learning.....	26
Young people not in education, employment or training	28
Raising the participation age: implications for 2009/10.....	30
14–19 reform.....	31
Participation in LSC-funded learning.....	32
Specialist provision for learners with learning difficulties and/or disabilities.....	37
Travel to learn.....	38
Skills for Life.....	40
Foundation Learning Tier.....	41
Funding mix	43
Learner support.....	44
Achievement	45
Adults	55
Participation in learning.....	55
Qualification levels among adults.....	56
Participation in LSC-funded learning.....	58
Travel to learn.....	62
Skills for Life.....	65
Adult Safeguarded Learning	66
Funding mix	68
Learner support.....	69
Achievement	70
Employers.....	77
Employer skills needs	77
Employer engagement in training and development.....	80
Responding to employer skills needs.....	82
Apprenticeships	85
Train to Gain	94
Skills Pledge	96
Quality of employer responsive provision.....	97
Achievement	98

Integrated employment and skills	105
Skills for Jobs.....	105
Local Employment Partnerships	106
Information, advice and guidance	106
Offender learning and skills.....	108
European Social Fund.....	112
Performance and quality	114
Quality.....	114
Minimum Levels of Performance.....	115
Quality improvement	115
Qualifying teachers in post-16 education and training	117
Learner satisfaction.....	117
Fee income	118
Capital investment	119
References	120

Foreword

- 1 I am delighted to introduce our Regional Strategic Analysis. This is a key part of the LSC's business cycle: it sets out a baseline of information to inform our commissioning decisions for delivery in 2009/10, showing the picture of demand and supply in the wider economic and labour market context.
- 2 The Analysis will inform our Regional Commissioning Statement, which we will publish later in the year and in which we will set out our commissioning intentions for 2009/10 as a signal to partners and providers.
- 3 This takes place in an atmosphere of organisational change. In the summer of 2007, the Machinery of Government changes were announced. These will lead to a fundamental redrawing of the map of structures and accountability for the delivery of post-16 education and training from 2010. The plans will mean the dissolution of the Learning and Skills Council, and will make Local Authorities responsible for offering young people in their areas a full menu of choices including the new Diplomas, Apprenticeships and the Foundation Learning Tier alongside GCSEs and A-levels. The Government will also set up a new agency to provide training and skills for adults to ensure that funding follows the training needs of employers and learners.
- 4 The new arrangements will build on the significant progress made in recent years by all partners involved in the delivery of education and training in the North East. The rate of young people not in education, training or employment (NEET) fell by 1.4 percentage points between 2006/07 and 2007/08, reflecting coordinated efforts across a range of organisations, and increasingly targeted provision. Between 2005/06 and 2006/07, the number of young people in Further Education rose by 1 per cent, and the number in school sixth forms by 3 per cent.
- 5 Train to Gain funded over 16,000 adult learners between August 2007 and June 2008, reflecting a direct response to employer demand. 69 per cent of adults took part in learning in 2006, and in the year between the summers of 2006 and 2007, 70 per cent of employers funded or arranged training for their staff – a higher percentage than in any other region.
- 6 But the challenges remain. An estimated 448,500 people of working age in the region are not in work, a level that's above the national average. Participation rates among young people have fluctuated, and have not grown significantly since the start of the decade (though they have increased since 2003). NEET rates remain above national averages. And the drop-out rate between ages 16 and 17, at an average of 10 per cent, is higher than that seen nationally.
- 7 Nevertheless, we are proud of the progress we have made, with the engagement and support of all our partners, and we look forward with enthusiasm to the challenges of the coming year.



Chris Roberts
Regional Director

Introduction

- 8 The Regional Strategic Analysis is a key part of the Learning and Skills Council's annual business cycle. It underpins our Regional Commissioning Statement, providing the evidence to inform decisions about our strategic priorities, and about the learning provision we need to commission in 2009/10.
- 9 The Strategic Analysis provides a comprehensive picture of the needs of learners, employers and communities in the North East, and assesses the extent to which the mix and quality of the region's LSC-funded learning provision meets these needs. It identifies where we do well, and where we need to do more.
- 10 We have structured this year's analysis to reflect the new Demand Led Funding models introduced in 2008/09 and the new structures for 14–19 and adult learning that will be in place in 2011, and which will increasingly be reflected in the way in which we commission learning provision in the interim.
- 11 Our learner data does not yet reflect the new Demand Led Funding models, however. The most recent full year's data available is for 2006/07, with partial data available for 2007/08. We have therefore provided notes to aid the interpretation of this historical data in the context of the new funding models.
- 12 The Strategic Analysis is accompanied by various other reports and analysis, including a data annex which presents much of the data underpinning this report. These are available from the LSC website:

<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>

Enabling the system to deliver

- 13 The Secretaries of State of the Department for Innovation, Universities and Skills (DIUS) and Department for Children, Schools and Families (DCSF) announced the Machinery of Government (MoG) changes in their publication *Enabling the System to Deliver* in March 2008¹. The starting point for these reforms is the ambition to raise the education participation age and deliver better outcomes for all young people, an ambition which has been at the heart of the Every Child Matters agenda and which was emphasised again in the recent Children's Plan².
- 14 The reforms provide an opportunity to bring together in one place responsibility for the outcomes and achievement of all young people aged 0–19. The reforms build on the existing role and expertise of local authorities as commissioners of a wide range of services which will help support pre-19 education and training.
- 15 From 2010 (subject to legislation), local authorities will have a statutory duty to provide learning places for pre-19 year olds. They will be supported in this by a new Non Departmental Public Body, the Young People's Learning Agency (YPLA).
- 16 The future commissioning process requires local authorities to work together to develop and agree plans in sub-regional groupings. Commissioning decisions need to be made collectively to ensure that the decisions of one local authority do not adversely impact on another, and to ensure purchasing decisions provide the best value for money, promote provider stability and provide the highest quality and choice of provision for the learner. Regional Planning Groups of local authorities and key partners will agree the plans of the sub-regional groupings; ensuring coherence regionally.
- 17 A two-stage, Government Office led process has seen initial sub-regional groupings outlined, with DCSF feedback due to be given by November 2008. Comprehensive proposals may be submitted as 'ready' between November 2008 and February 2009, with feedback given by March 2009.
- 18 For adults and employers there will be a new Skills Funding Agency (SFA), which will oversee the distribution of funds to the sector and manage the performance of FE colleges. The Agency will house the National Apprenticeship Service (NAS), the National Employer Service, and the Adult Careers and Advancement Agency. As has already been announced, the Train to Gain brokerage service will transfer to Regional Development Agencies in April 2009.
- 19 Meanwhile, the LSC continues to have a statutory role in post-19 education and skills, and must continue to focus on expanding the Train to Gain programme, and tackling adult basic skills, including securing closer integration between skills and employment, and ensuring that a wide range of engagement and progression routes are available to support economic and social inclusion. A blueprint of the future post-19 delivery will be made available in Autumn 2008.

¹ DCSF/DIUS, 2008a.

² DCSF, 2007b.

The North East region

- 20 The North East is the smallest of the nine English regions in terms of population, and with the exception of London, in terms of geographical area.
- 21 The region includes 12 local authorities³ – Northumberland, Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland in the north, and County Durham, Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees in the south. Our 12 Partnership Areas are coterminous with these local authorities.
- 22 Two thirds of the region is rural, including much of County Durham and Northumberland, and to a large extent the population is concentrated in relatively few urban areas.
- 23 The North East economy continues to perform at a relatively low level in comparison with other regions. Economic growth rates, however, have been above the national average for much of this decade. The challenging targets set out in the 2006 Regional Economic Strategy mean that improvements in the economy's performance will need to continue⁴, posing significant challenges for the learning and skills sector.

Demographic context

Population profile

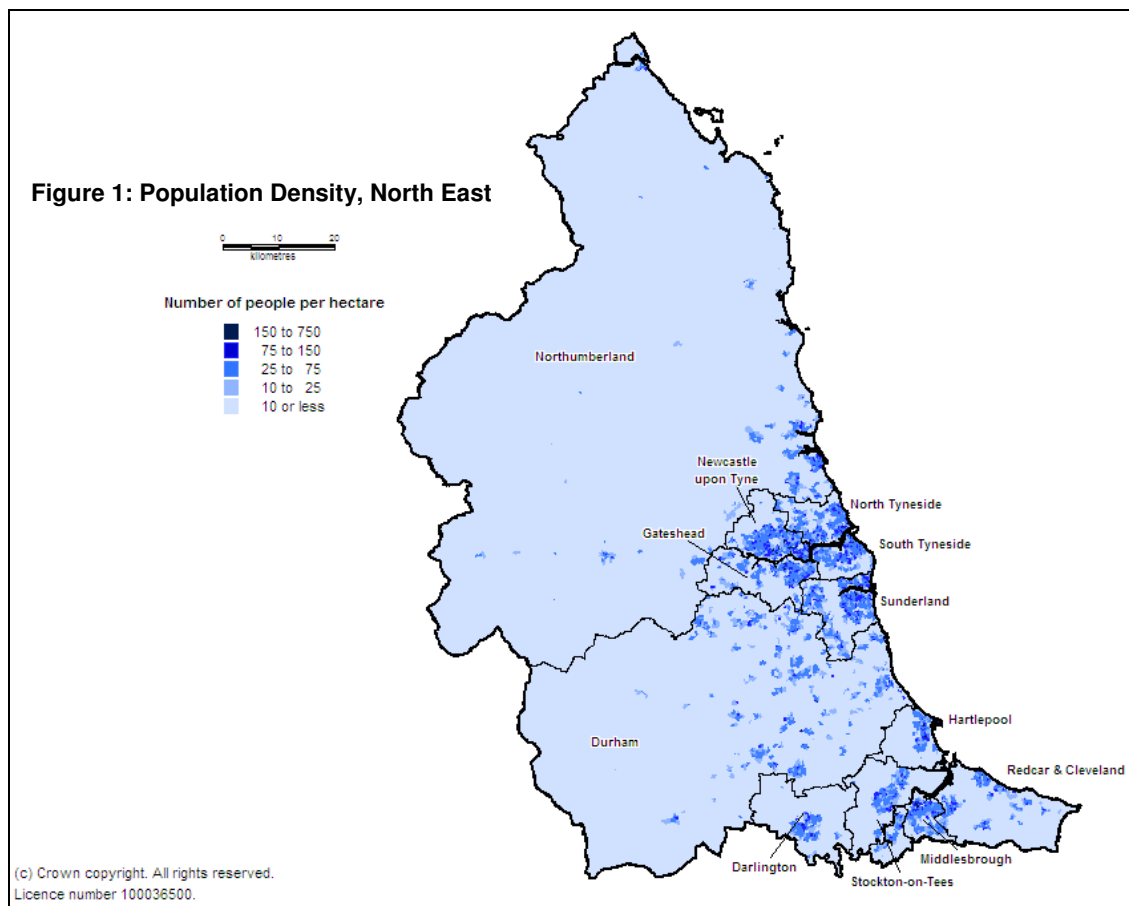
- 24 The North East is home to an estimated 2,555,700 people. 49 per cent of residents are male, and 51 per cent female⁵.
- 25 Some 43 per cent of the region's population live in the five local authorities that comprise Tyne and Wear, which covers little more than 5 per cent of the North East in terms of geographical area. A further 26 per cent of the population live in the five local authorities in Tees Valley. County Durham houses around 20 per cent of the population. Although it is by far the largest local authority in the North East, covering almost 60 per cent of the region, Northumberland houses just 12 per cent of the population.
- 26 There is constant shifting between the populations of different local authorities, with people moving from one area to another. There is some evidence of a continuing 'rural drift'. Although the numbers involved do not suggest a rapid exodus from urban areas is underway, there is clearly a steady redistribution of the population from urban areas to less densely populated areas⁶. This may have some implications for learning provision, particularly in terms of travel-to-learn patterns.

³ Local government reorganisation will replace the current two-tier council structures in Durham and Northumberland (one county council and several district councils) with single-tier structures from April 2009.

⁴ One NorthEast, 2006; North East Regional Information Partnership, 2008.

⁵ ONS Mid-Year Population Estimates 2006.

⁶ North East Regional Information Partnership, 2006.



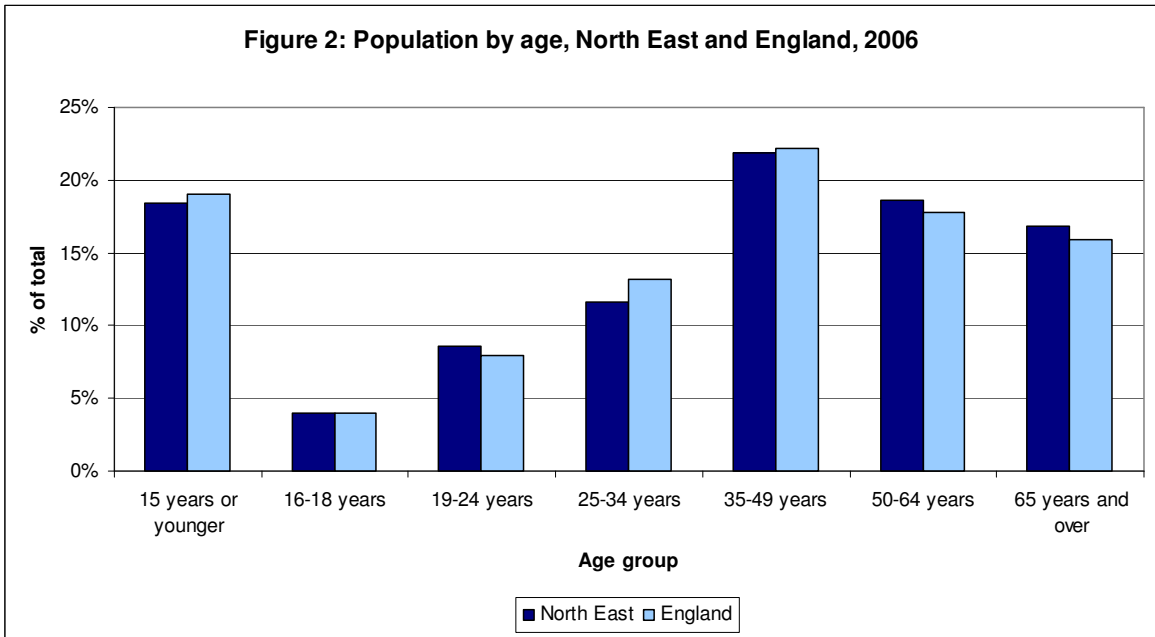
Source: ONS Census of Population 2001

- 27 The age structure of the region's population is broadly similar to the national picture. There are slightly fewer people aged 15 or younger among the region's population than in England, and fewer 25–49 year olds. There are slightly more 19–24 year olds among the North East population than nationally (possibly reflecting the number of students at the region's five universities) and more people aged 50 and over.
- 28 This reflects long term demographic trends. Between 1981 and 2001, the population of England rose by 5 per cent while the North East population fell by 5 per cent, largely due to outward migration among younger, more mobile people, and resulting in a faster ageing of the population⁷.

Recent population growth has been slower in the North East than in England (less than 1 per cent in the region between 2001 and 2006, compared with almost 3 per cent nationally), continuing this trend⁸.

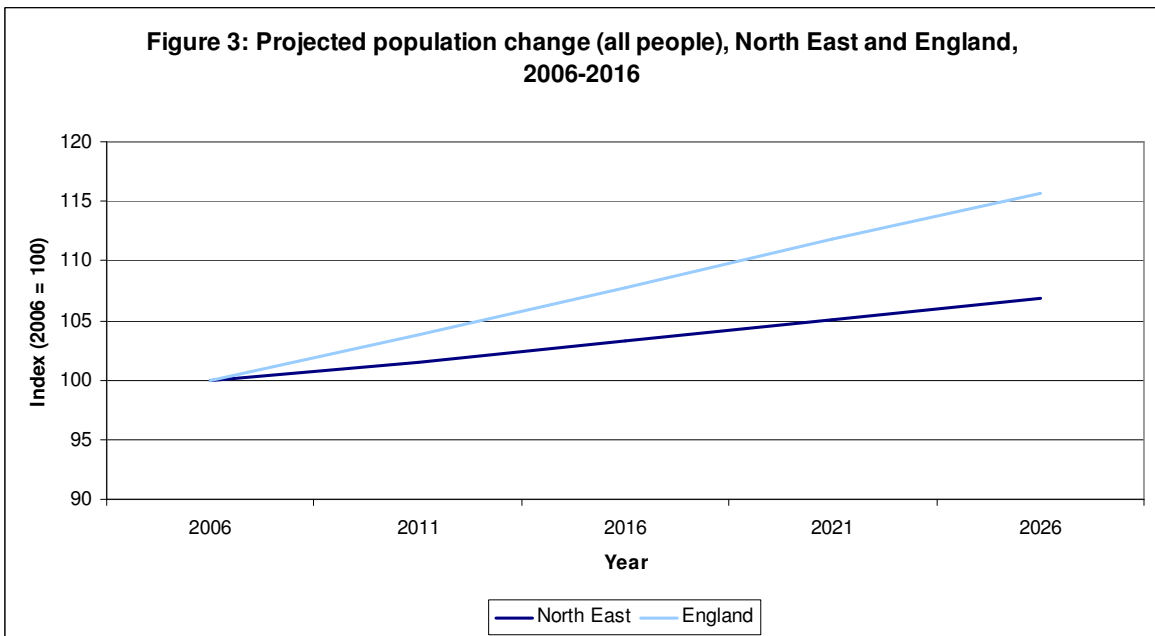
⁷ ONS Census of Population 1981 and 2001.

⁸ ONS Mid-Year Population Estimates 2001 and 2006.



Source: ONS Mid-Year Population Estimates 2006

- 29 Recent projections suggest that population growth in the region will continue to be significantly slower than in England – indeed, population growth in the North East is projected to be slower than in any other region in the country. The region’s population is projected to increase by little more than 3 per cent between 2006 and 2016, compared with projected growth of almost 8 per cent in England.



Source: ONS 2006-based Subnational Population Projections; Government Actuary 2006-based Population Projections

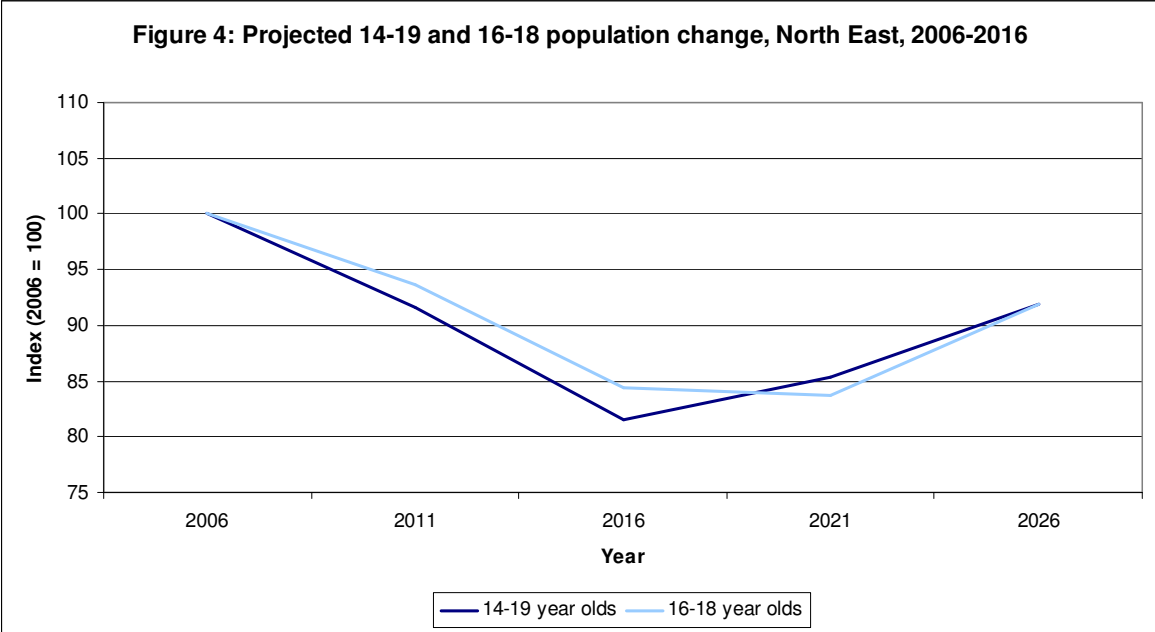
30 Population growth is not expected to be uniform across the region, with growth to 2016 projected to be above the regional average in Stockton-on-Tees, Darlington, North Tyneside, Hartlepool, County Durham, Northumberland and Newcastle. Growth below the regional average is projected in Redcar and Cleveland, Gateshead and South Tyneside, while slight decline is projected in Sunderland and Middlesbrough.

14–19 population change

31 Slow growth in the region’s total population is reflected in the 14–19 age group. The region’s 14–19 population grew by less than 2 per cent between 2001 and 2006, compared with growth of over 7 per cent in England⁹.

32 Projections suggest that this growth will reverse in future years, with decline in the region’s 14–19 population expected to be more significant than that seen nationally. Between 2006 and 2016, the 14–19 population in the North East is projected to decline by 18 per cent, compared with decline of 12 per cent in England. In some local authorities, decline of up to 25 per cent is projected¹⁰.

Growth in the 14–19 population is projected *after* 2016, although the number of 14–19 year olds in the North East is not projected to return to 2006 levels within the next 20 years.



Source: ONS 2006-based Subnational Population Projections

⁹ ONS Mid-Year Population Estimates 2001 and 2006.

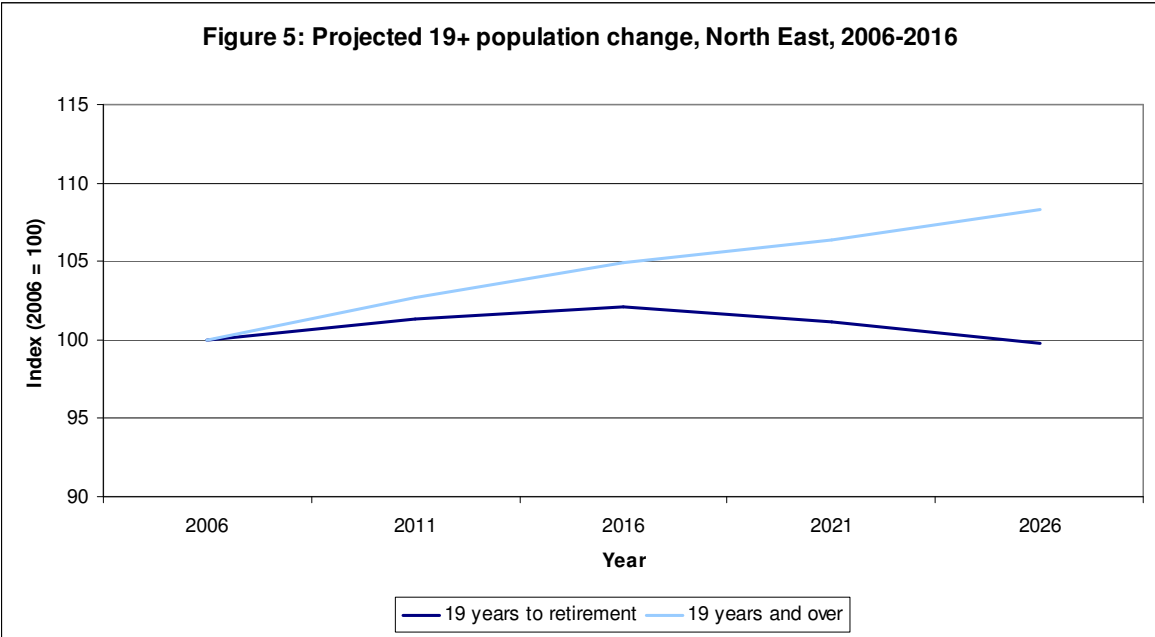
¹⁰ ONS 2006-based Subnational Population Projections; Government Actuary 2006-based Population Projections.

33 The North East’s 16–18 population grew by 3 per cent between 2001 and 2006, compared with growth of 9 per cent in England. Indicative projections¹¹ suggest that this trend will reverse between 2006 and 2016, with the region’s 16–18 population projected to decline by 16 per cent over this period, compared with decline of 11 per cent in England. Longer term projections suggest that the 16–18 population will see growth only after 2021.

Change in the adult population

34 The North East’s adult population (those aged 19 and over) grew by little more than 2 per cent between 2001 and 2006, compared with growth of almost 4 per cent nationally. Growth was slightly higher among the total adult population (all people aged 19 and over) than among the population of working age adults (those aged 19 to retirement), indicating an ageing of the population.

35 This trend is projected to continue. The number of working age adults (aged 19 to retirement) in the North East is projected to increase by around 2 per cent between 2006 and 2016, while the total adult population is projected to increase by 5 per cent. Longer term projections suggest that after 2016, the number of working age adults will fall slightly, while the total adult population continues to grow.



Source: ONS 2006-based Subnational Population Projections

36 These trends are attributable to the population ageing, reflecting increasing lifespans and a falling birth rate. In 2006, adults of retirement age and over accounted for 25 per cent of the region’s total population of adults aged 19 and over. Projections suggest that this proportion will rise to 33 per cent by 2026.

¹¹ Projections for the region’s 16–18 population are derived from projections in single-year age bands provided by ONS.

Ethnicity

- 37 The proportion of people from black and minority ethnic (BME) communities among the North East population (2.4 per cent) is significantly lower than the national average (9.1 per cent) and well below the proportion in many other regions. Newcastle and Middlesbrough each have larger BME communities than other local authorities in the North East (6.9 per cent and 6.3 per cent respectively)¹².
- 38 Census data shows a wide diversity in ethnic backgrounds among the region's population. The largest groups among the North East's black and minority ethnic population are from Pakistani and Indian communities, though in some local authorities, Bangladeshi and other ethnic communities are more significant.
- 39 The black and minority ethnic population in the region is growing. There were some 24,000 more people from BME backgrounds living in the region in 2001 than there were in 1991. Growth was particularly apparent in Asian communities, among Black Africans and among people of Chinese heritage¹³.
- 40 Within the North East, the number of people from non-British and non-Irish white communities appears to have increased significantly since 2001, largely due to migration (for example, from the new European Union states). Similarly, the number of people from Black Caribbean, Black African, Chinese and Other Ethnic communities also appears to have increased due to migration. An increase in the number of people from mixed heritage backgrounds is also apparent, due to high natural growth¹⁴.
- 41 Data from DCSF suggests that the black and minority population in the North East will continue to grow. Some 5 per cent of secondary school pupils in the region in January 2007, and 6 per cent of primary school pupils, were from black and minority ethnic backgrounds¹⁵, well above the proportion of the population as a whole. It will become increasingly important for learning provision to be able to respond to the needs and aspirations of particular ethnic groups as more young people from BME communities leave school and seek to enter education and training.

Refugees and asylum seekers

- 42 Home Office statistics suggest that there were 2,770 asylum seekers and their dependents dispersed to National Asylum Support Service (NASS) accommodation in the North East in March 2008. A further 50 asylum seekers receiving only subsistence support from NASS were dispersed to the region. The number of asylum seekers housed in the North East is lower than in recent years, reflecting a fall in the number of asylum seekers nationally (in March 2007, for example, some 3,245 asylum seekers were housed in the region)¹⁶.

¹² ONS Census of Population 2001.

¹³ ONS Census of Population 1991, 2001.

¹⁴ A O'Donnell et al, 2006.

¹⁵ DCSF, 2007a.

¹⁶ Home Office, 2008.

- 43 More than a third (37 per cent) of asylum seekers in the region were housed in Newcastle, which ranked as the third most important local authority in England in terms of asylum seeker dispersals. Middlesbrough (18 per cent) and Stockton-on-Tees (13 per cent) also have relatively large shares of the region's asylum seeker population compared with other local authorities.
- 44 In addition, there are a number of people described as refugees – often defined as former asylum seekers – in the region. It is difficult to estimate how many refugees there may be, but the number is likely to be much higher than the number of asylum seekers. Estimates suggest that in 2003, for example, there were 14,000 refugees living in Tyne and Wear, compared with around 4,500 asylum seekers. Around a quarter of asylum seekers dispersed to the North East are believed to remain in the region if their application for asylum is successful¹⁷.
- 45 Refugees and asylum seekers are a diverse group. Asylum seekers housed in the North East at the end of June 2007 included 79 different known nationalities. One in ten was Iranian, while relatively high numbers of asylum seekers from Iraq, Zimbabwe, Eritrea, the Democratic Republic of the Congo, Angola and Turkey were also noted. Nationally, there are increasing numbers of asylum applications from Afghanistan and the People's Republic of China¹⁸.

Migrant workers

- 46 The North East has the lowest foreign-born population of any region in England (2.7 per cent of the total population in 2001). While still small, this population is growing rapidly – between 1991 and 2001, the number of people living in the North East who were born outside Great Britain increased by 42 per cent, the second largest increase in any region after London¹⁹. Migration since 2001, particularly from the eight Central and Eastern European countries which joined the European Union in May 2004 (the A8 countries), is likely to have further increased the number of foreign-born people living in the region²⁰.
- 47 In 2006/07, a total of 13,270 National Insurance Numbers were allocated to foreign nationals starting work in the North East. Two in five (40 per cent) of these migrant workers came from A8 countries, the vast majority from Poland. Outside the EU, significant numbers of migrant workers also came from India, China, Pakistan, the Philippines and Bangladesh²¹.
- 48 Workers Registration Scheme data suggests that the flow of economic migrants to the region from the A8 countries is slowing, with a reduction of 14 per cent in the number of registrations between July–September 2006 and July–September 2007²².

¹⁷ BOW Community Projects, 2003.

¹⁸ A O'Donnell et al, 2006.

¹⁹ Institute for Public Policy Research, 2006.

²⁰ As immigration from Bulgaria and Romania (which acceded to the EU in January 2007) is subject to quotas, it is unlikely that the numbers of migrant workers from these countries will be significant in the region.

²¹ A O'Donnell et al, 2006.

²² I Fitzgerald, 2008. The Workers Registration Scheme covers only those from A8 countries. A similar picture of non-A8 migrants is not available.

- 49 Men account for almost two thirds of registered workers from A8 countries in the North East, though the gender ratio is not constant.
- 50 Some 75 per cent of registered A8 workers in the region are aged 18–34 years old. This is below the national average (82 per cent), and there appears to be an increase in economic migration to the region among older workers.
- 51 The overwhelming majority (89 per cent) of registered A8 workers in the North East are employed in low skilled occupations. Half are employed as process operatives, predominantly in factories, while two in five are employed in the lowest skilled manual occupations.

Just 5 per cent of registered A8 workers in the North East are employed in intermediate level occupations, mainly as care assistants and home carers or as sales and retail assistants. 6 per cent are employed in skilled trades occupations, mainly as bricklayers or as welders.

Lone parents

- 52 There are an estimated 108,000 lone parents of working age in the region. Over 90 per cent are female²³.
- 53 Around half of the lone parents in the region are in employment. Lone parents are less likely to work in higher level or skilled trade occupations than the average among all working age adults. Around half of the lone parents who are in employment work part-time.
- 54 One in ten lone parents in the North East are unemployed and seeking work. Two in five are economically inactive and around one in six have never had a job. Among those who have previously been in employment, half have been out of work for five years or more.
- 55 Two in five economically inactive lone parents in the region say they would like a job, even though they aren't actively seeking one.
- 56 Qualification levels among lone parents are well below average. Lone parents are less likely to hold qualifications at Level 2 or above than other adults. One in five lone parents have no formal qualifications at all.
- 57 Lone parents with disabilities are particularly unlikely to have qualifications at Level 2 or above, and more likely than average to have no formal qualifications at all.
- 58 Lone parents who are in employment are more likely to have qualifications at Level 2 or above than those who are unemployed or economically inactive. Unemployed and economically inactive lone parents are significantly more likely to have no formal qualifications than those in work.
- 59 Participation in learning among lone parents is below average. Around a quarter of lone parents in the North East are currently participating in learning or have recently done so, compared with nearly a third of all working age adults. The youngest and oldest lone parents are least likely to participate. Lone parents who are in employment are far more likely to participate in learning than those who are unemployed or economically inactive.

²³ LSC North East, 2008d.

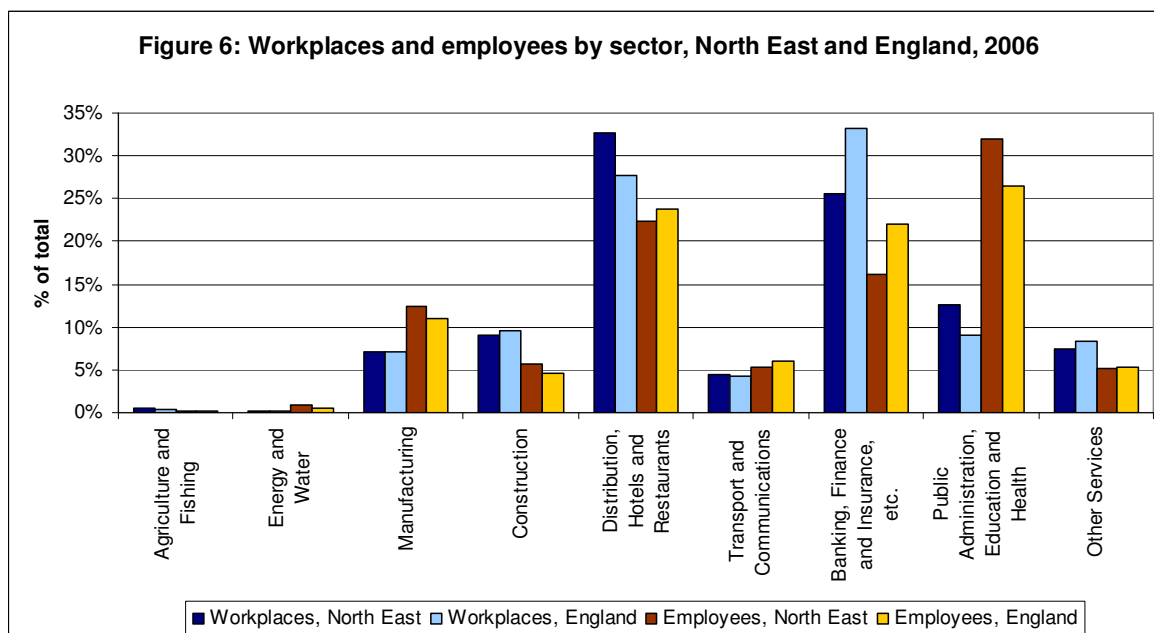
Deprivation

- 60 The level of deprivation in many parts of the region is high, particularly in densely populated areas. Gateshead, Newcastle, South Tyneside, Sunderland and Middlesbrough are all among the 20 per cent most deprived districts in England according to all six summary measures in the Index of Multiple Deprivation 2007²⁴.
- 61 Overall, some 441,000 people in the North East – 18 per cent of the region's population – live in areas ranked among the 10 per cent most deprived in England. There are even higher concentrations of the population living in deprived areas in several local authorities, particularly in parts of Tees Valley.
- 62 Deprivation appears to be less severe in Northumberland and County Durham than in other parts of the region, though there are pockets of deprivation in both local authorities. In particular, the level of deprivation is relatively high in parts of Easington, Sedgefield and Wear Valley districts in County Durham, and in parts of Wansbeck and Blyth Valley districts in Northumberland.
- 63 There are close correlations between densely populated urban areas with high levels of deprivation and areas with low qualification levels, low participation in learning and low economic activity rates among the population. Different aspects of deprivation, meanwhile, may affect those in more sparsely populated areas which often appear less deprived in overall terms. In particular, people living in rural areas may have far more limited access to a range of services, including learning provision. Some groups are likely to be more adversely affected than others, such as women who are not in work or who are on low incomes, particularly those who also have childcare responsibilities.

²⁴ DCLG Index of Multiple Deprivation 2007.

The Labour market context

- 64 There are almost 71,500 workplaces in the North East region²⁵. This is not necessarily a reflection of the number of employers, however, as one employer may have several individual workplaces.
- 65 The largest shares of the region's workplaces are found in the two largest local authorities – 19 per cent in County Durham, and 14 per cent in Northumberland. There is also a concentration in Newcastle, where 13 per cent of the region's workplaces are found.
- 66 A little over 1 million jobs are located in the region. Employment is also concentrated in a few local authorities. 17 per cent of employment in the North East is located in Newcastle, and 16 per cent in County Durham Sunderland accounts for 11 per cent of employment in the region, while Northumberland accounts for 10 per cent.
- 67 Micro-establishments with 1–10 employees are the most common workplace by size, but account for a smaller proportion of workplaces in the region than in England (79 per cent compared with the national average of 84 per cent). Micro-establishments also account for a smaller than average proportion of employment in the region (17 per cent compared with 21 per cent in England).
- 68 There are relatively few workplaces with 200 or more employees in the North East, but such large workplaces account for a slightly higher than average proportion of all jobs in the region (34 per cent, compared with 31 per cent in England).



Source: ONS Annual Business Inquiry 2006

²⁵ ONS Annual Business Inquiry 2006.

- 69 The Public Administration, Education and Health sector accounts for the largest share of employment in the North East, and is more important in terms of employment within the region than it is nationally.
- Sectors covered by Central Government, Skills for Justice, Lifelong Learning, Skills for Health and Skills for Care and Development Sector Skills Councils (SSCs) are all more important in terms of employment within the region than they are nationally.
- 70 The Distribution, Hotels and Restaurants sector also accounts for a significant share of employment in the North East, though one that is slightly lower than average despite this sector having a larger than average proportion of workplaces.
- Sectors covered by Skillsmart, People 1st and Automotive Skills SSCs are all more important in terms of employment within the region than they are nationally.
- 71 The Banking, Finance and Insurance sector accounts for the third largest share of employment in the North East, but is far less important within the region than it is nationally.
- In particular, the sector covered by Financial Services Skills SSC is smaller in the region than average.
- 72 Despite shedding significant numbers of jobs in recent decades, the Manufacturing sector in the North East still accounts for a larger than average share of employment.
- In terms of employment, sectors covered by Cogent and Proskills SSCs are more important in the North East than they are nationally. To a lesser extent, this is also true of sectors covered by SEMTA. In contrast, sectors covered by Skillfast account for a smaller than average share of the region's employment.
- 73 The Construction sector also accounts for a slightly larger than average share of employment in the North East.
- In particular, sectors covered by ConstructionSkills SSC account for a slightly higher than average proportion of employment in the region.
- 74 The Transport and Communications sector accounts for a slightly smaller than average share of employment in the North East.
- Sectors covered by both GoSkills and Skills for Logistics SSCs account for smaller than average shares of employment in the region.
- Sectors covered by e-skills UK account for a significantly higher than average share of employment in the North East. It is likely that this reflects high levels of employment in contact centres in some parts of the region, rather than concentrations of employment in the IT or telecommunications sectors.
- 75 The Other Services sector accounts for a similar share of employment in the North East to the national average.
- Sectors covered by SkillsActive SSC account for slightly higher than average share of employment in the region. Sectors covered by Skillset and Creative

and Cultural Skills SSCs account for smaller than average shares of employment.

76 The Regional Economic Strategy²⁶ identifies nine sectors as drivers of increased economic participation and productivity growth in the region, alongside underpinning sectors such as Construction, Transport and Retail which are important in terms of employment. The region's priority sectors include:

- Chemicals and Pharmaceuticals
- Automotive
- Defence and Marine
- Food and Drink
- Energy
- Knowledge Intensive Business Services
- Tourism and Hospitality
- Commercial Creative, and
- Health and Social Care.

Economic activity

77 Reflecting long-term trends, the economic activity rate in the North East (76 per cent) is below the national average (79 per cent). Economic activity rates count working age people who are in employment, seeking work or undertaking work-related training²⁷.

78 Economic activity rates are higher among men than women. 79 per cent of working age men in the North East are economically active, compared with 73 per cent of women.

79 Compared with other age groups, economic activity rates are lowest among 16–19 year olds, reflecting high levels of participation in full-time learning among young people. Economic activity rates are also low among adults aged 50 to retirement.

80 Economic activity rates among adults with disabilities are significantly lower than among those without.

81 Economic activity rates are lower than the national average in nearly all local authorities in the North East, with the exception of Darlington (79 per cent), Northumberland and North Tyneside (each 80 per cent).

Economic activity rates are lowest in Newcastle (72 per cent) and Middlesbrough (73 per cent).

Employment

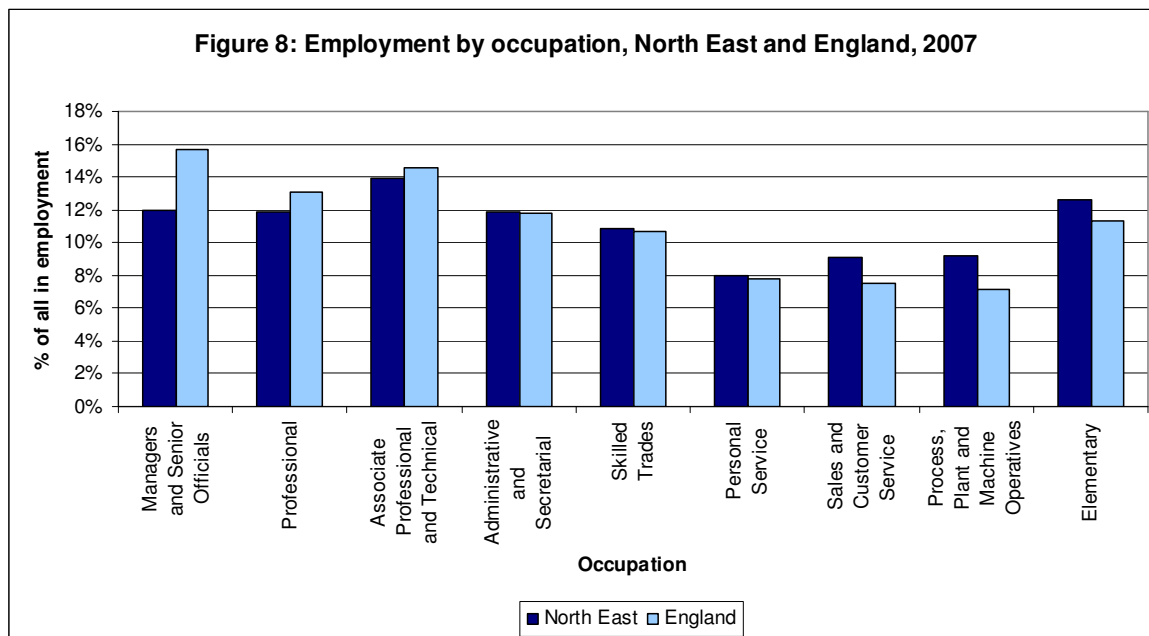
82 The employment rate in the North East (72 per cent) is slightly below the national average (74 per cent)²⁸.

83 Employment rates are higher among men than women. 74 per cent of working age men in the North East are in employment, compared with 69 per cent of women.

²⁶ One NorthEast, 2006.

²⁷ ONS Annual Population Survey January–December 2007.

²⁸ ONS Annual Population Survey January–December 2007.



Source: ONS Annual Population Survey January–December 2007

- 89 In contrast, the proportion of employed people working in skilled trades occupations or intermediate level occupations is slightly higher than average in the North East (40 per cent, compared with 38 per cent in England). In particular, the proportion of employed people who work in sales and customer service occupations in the North East is above average.
- 90 The proportion of employed people in the North East who work in lower level occupations, with low skills needs and little demand for formal qualifications, is above average. More people in the region work as process, plant and machine operatives or in very low skilled manual jobs (22 per cent) than in England (38 per cent).
- 91 In broad terms, women are less likely to work in higher level occupations than men. Fewer working age women in the North East work as managers and senior officials or in professional occupations than the proportion of men working in these occupations. The proportion of women working in associate professional and technical occupations, on the other hand, is higher than that among men.
- 92 Women are far more likely than men to work in intermediate level occupations. This is especially true in administrative and secretarial roles, which account for 20 per cent of working age women in employment in the North East but just 5 per cent of men.
- In total, almost half the women in employment in the North East (48 per cent) work in intermediate level occupations.
- 93 Men are far more likely than women to work in skilled trades occupations. 19 per cent of working age men in employment in the region work in skilled trades occupations, compared with less than 2 per cent of women.
- 94 In broad terms, women are less likely than men to work in lower level occupations. They are far less likely than men to work as process, plant and

machine operatives, occupations which account for just 2 per cent of working age women in employment in the North East compared with 15 per cent of men. Women are no less likely than men to work in the lowest skilled manual jobs.

- 95 Adults working in higher level occupations are more likely to have qualifications at Level 2 or above than those in lower skilled occupations. Adults working in the public sector are more likely to have qualifications at Level 2 or above than those working in the private sector, and adults working in the service sector are generally more likely to have qualifications at this level than those working in production or manufacturing sectors. While this reflects occupational skills needs, it also reflects inequalities in access to and take-up of job-related training by occupation³⁰.
- 96 Overall, around one in four employed people in the North East work part-time. Women are far more likely to work part-time than men³¹. Adults who work part-time are less likely to have qualifications at Level 2 or above than those who work full-time³².

Worklessness

- 97 An estimated 448,500 working age people in the North East – 28 per cent of the population, compared with 26 per cent in England – are not in work (either unemployed and seeking work, or economically inactive)³³.
- 98 The level of worklessness is above the national average in most local authorities in the North East, with the exception of Northumberland and North Tyneside (25 per cent of the working age population in each local authority), and Darlington (26 per cent).

Particularly high proportions of the working age population are not in work in Middlesbrough and Newcastle (both 33 per cent), and in Hartlepool (34 per cent).

Unemployment

- 99 Reflecting long-term trends, the unemployment rate in the North East (6.3 per cent) is above the national average (5.4 per cent)³⁴. The unemployment rate counts people who are out of work and want a job, and have either actively sought work in the last four weeks and are available to start work in the next two weeks, or have a job that they will start within the next two weeks – regardless of whether they claim or are eligible for unemployment-related benefits. An estimated 75,800 working age people in the North East are unemployed and actively seeking work.
- 100 The unemployment rate is lower among women than among men, reflecting gender differences in economic activity rates.

³⁰ LSC North East, 2008f. A more detailed picture of qualification levels by sector is presented in the Sector Skills Needs Matrix which accompanies the Regional Strategic Analysis.

³¹ ONS Annual Population Survey January–December 2007.

³² LSC North East, 2008f.

³³ ONS Annual Population Survey January–December 2007.

³⁴ ONS Annual Population Survey January–December 2007. The unemployment rate is calculated as the number of working age adults who are unemployed as a proportion of the economically active population.

- 101 The unemployment rate is significantly higher among the youngest adults than among older age groups. Some 24 per cent of economically active 16–19 year olds and 11 per cent of economically active 20–24 year olds in the North East are unemployed and seeking work.
- 102 The unemployment rate is slightly higher among adults with disabilities than among those without.
- 103 All local authorities in the North East have an unemployment rate above the national average, with the exception of County Durham (5.2 per cent). Hartlepool has by far the highest unemployment rate in the region (11.2 per cent).
- 104 Adults who are unemployed are less likely to have qualifications at Level 2 or above than those in employment. Unemployed adults who are less well qualified are more likely to experience long-term unemployment than those who are more highly qualified³⁵.

Economic inactivity

- 105 An estimated 372,700 working age adults in the North East – 24 per cent of the population, compared with 21 per cent in England – are economically inactive³⁶. Economically inactive adults include those who are not in employment, and are neither seeking work nor undertaking work-related training. Economically inactive people may be in full-time education, unable to work due to illness or disability or because they are caring for someone else, or retired before reaching state pension age.
- 106 Economically inactive adults are significantly less likely to be qualified to Level 2 or above than economically active adults³⁷.
- 107 Women are more likely to be economically inactive than men.
- 108 The very youngest and oldest adults are significantly more likely to be economically inactive than other age groups.
- 109 Adults with disabilities are significantly more likely to be economically inactive than those without.
- 110 Economic inactivity rates are above the national average in most local authorities in the North East, with the exceptions of North Tyneside and Northumberland (both 20 per cent). Economic inactivity rates are particularly high in Middlesbrough and Newcastle (both 28 per cent).
- 111 Around 26 per cent of economically inactive adults in the North East would like a job, even though they aren't actually seeking work³⁸. Economically inactive men are a little more likely to want a job than women.
- 112 The most common reason that economically inactive adults who want a job are not actively seeking work is long-term sickness. The proportion of economically inactive people in the North East who want a job but say that

³⁵ LSC North East, 2008f.

³⁶ ONS Annual Population Survey January–December 2007.

³⁷ LSC North East, 2008f.

³⁸ Around 3 per cent of economically inactive adults in the North East are seeking work but aren't available to start a job, a similar proportion to the national average.

long-term sickness prevents them from seeking work (36 per cent) is higher than the national average (28 per cent).

Care responsibilities also prevent a significant proportion of economically inactive adults in the region from seeking work (23 per cent are looking after family or the home). Some 14 per cent of economically inactive adults are not seeking work because they are in full-time education, while a similar proportion are not seeking work for other reasons.

Incapacity Benefit claimants

- 113 Data from the Department for Work and Pensions shows that in November 2007, there were 160,070 working age adults claiming Incapacity Benefit (IB) and related benefits in the North East. This equates to 10.1 per cent of the region's population, well above the national average (6.8 per cent³⁹).
- 114 Encouragingly, the number of adults claiming Incapacity Benefit in the North East has fallen since 2003, when claimant numbers were at their highest. The decline in the region is far more significant than that seen nationally.
- 115 Significantly more men than women claim Incapacity Benefit. This is only partly due to differences in pensionable ages⁴⁰.
- 116 The likelihood of claiming Incapacity Benefit increases with age. In the North East, less than one in thirty adults aged 16–25 years old claim IB, compared with around one in five adults aged 55–59 years old, and almost one in three men aged 60–64 years old.
- 117 Almost 60 per cent of Incapacity Benefit claimants in the North East do not have qualifications at Level 2, compared with 32 per cent of all working age adults. Many IB claimants may have Skills for Life needs. Very few adults claiming Incapacity Benefit appear to participate in learning.
- 118 Almost two in every three adults claiming Incapacity Benefit in the North East in November 2007 had been claiming IB for five years or longer. The likelihood of having claimed IB for longer periods increases with age.

Despite the long duration of many Incapacity Benefit claims, there is turnover among the claimant group. In any quarter, on-flows and off-flows each account for around 6 per cent of the region's claimant group.
- 119 The majority of Incapacity Benefit claimants in the region have previously been in work. Only around 8 per cent of those claiming IB in November 2007 had never had a job. The youngest claimants were least likely to have previously been in work.
- 120 As a group, Incapacity Benefit claimants have a wide range of sectoral experience. Their occupational experience is more limited. Previous occupations among IB claimants in the North East are dominated by low skilled manual jobs.
- 121 Unlike Jobseeker's Allowance for the unemployed, people claiming Incapacity Benefit are not required to look for work. Very few IB claimants do so. Around a third, however, say they would like a job, even though they

³⁹ LSC North East, 2008b.

⁴⁰ Women mostly move from IB to state pension at age 60, whereas men move at age 65.

aren't looking for one. Most of those who want to work would prefer to return to something similar to their old job.

- 122 Women claiming Incapacity Benefit are less likely to want to return to work than men. The very youngest and very oldest age groups appear least likely to want a job.

IB claimants with qualifications at Level 2 and above, and particularly the few with qualifications at Level 4 or above, are more likely to want a job than those without qualifications at Level 2.

- 123 Even among those who want a job, relatively few Incapacity Benefit claimants believe they will work in the future. Even fewer think they will work in the immediate future. Many IB claimants are also pessimistic about the opportunities available to them.
- 124 In October 2008, Employment and Support Allowance (ESA) will replace Incapacity Benefit for most new and repeat claimants. Employment and Support Allowance is designed to support Jobcentre Plus (JCP) customers with an illness or disability to return to work. Central to this is a new Work Capability Assessment, which replaces the current Personal Capability Assessment, and shifts the emphasis from what a person with a physical or mental health problem *can't* do, to what they *can*. All new ESA claimants will have to take this test.
- 125 Most people claiming ESA will be expected to take reasonable steps to help them prepare for work. Support and employment advice will be delivered through the Pathways to Work programme. Individuals with severe illnesses or disabilities will not be expected to actively prepare for work, but will be able to volunteer for support if they do want to return to work. Current IB claimants will also be able to volunteer.
- 126 Pathways to Work was rolled out nationally from April 2008, though pilots have operated in some parts of the North East for a longer period. Pathways involves work-focused interviews, and claimants may be routed on to training or rehabilitation schemes. Pathways is widely regarded as successful in helping more new IB claimants leave benefit within the first six months.
- 127 To date, only a small proportion of Incapacity Benefit claimants in the North East appear to have had contact with Pathways to Work. The low contact rate is not surprising since most IB claims in the region pre-date the introduction of Pathways, and only new claimants have to pass through the programme.
- 128 In several parts of the country, including Gateshead and South Tyneside, Pathways to Work is being extended experimentally to include some claimants who have been on Incapacity Benefit for long periods. The general observation from these areas is that longer-term claimants are a far more difficult group to tackle and it is very hard to make real progress with all but a small minority.
- 129 There is a widely accepted view that a substantial number of Incapacity Benefit claimants would and could work if the right opportunities were available to them. Their health problems, though real enough, are not necessarily an absolute barrier to employment.

Attitudes and lifestyles among long-term IB claimants, however, often become entrenched. There is also a commonly held view that after six months or more on Incapacity Benefit, mental health problems such as depression become an issue for many claimants (even if they were not the reason for their claim in the first place), and can then take over as the main factor in preventing people returning to work or even beginning the process⁴¹.

- 130 It's likely that back-to-work initiatives will be most successful when targeting IB claimants who say they want to work, and when targeting the most recent claimants. Wherever possible, back-to-work programmes will also need to engage and re-motivate claimants who are more detached from the labour market. This poses a significant challenge.

Economic Development

- 131 Both Tyne and Wear City Region and Tees Valley City Region are among the seven to have had their Multi Area Agreements (MAAs) signed as part of the first round. Along with the development of 14–19 clusters at sub-regional level, MAAs offer the potential for new ways of working with a focus on sub-regional commissioning.
- 132 The MAA in Tyne and Wear City Region focuses on two key areas: Employment and Skills, and Transport. The Employment and Skills element concentrates on employability and higher level skills, and asks the Government for a number of additional flexibilities to enhance delivery within the City Region and the wider region. A delivery plan and several business cases around the flexibilities are being prepared.
- 133 The Tyne and Wear City Region will be preparing an economic assessment in the coming months which will complement those being prepared by individual local authorities in Tyne and Wear and the new unitary authorities in Northumberland and County Durham.
- 134 The development of the Tees Valley MAA focuses on physical regeneration through housing, transport and regeneration projects. Structures are being developed to cover enterprise, employment and skills as part of a second phase of the MAA which will come into effect from April 2009. This will focus on increasing higher level skills delivery, with a particular emphasis on the process, engineering and digital media sectors. The new MAA will also incorporate employability issues and will set out how the Regional Employability Framework (REF)⁴² will function at the City Region level.
- 135 The Durham Economic Partnership has developed links to both Tees Valley and Tyne and Wear City Regions. At the same time, a substantial part of the county comprises rural areas outside the City Regions. This is also true of Northumberland. It is recognised that there is huge potential in rural areas for developing the tourism and renewable energy sectors. Work is underway with local providers to enhance the environmental and tourism leisure offer in County Durham, linked to the development of the UK's first geothermal energy model village at Eastgate.

⁴¹ Centre for Regional Economic and Social Research, 2007a; 2007b.

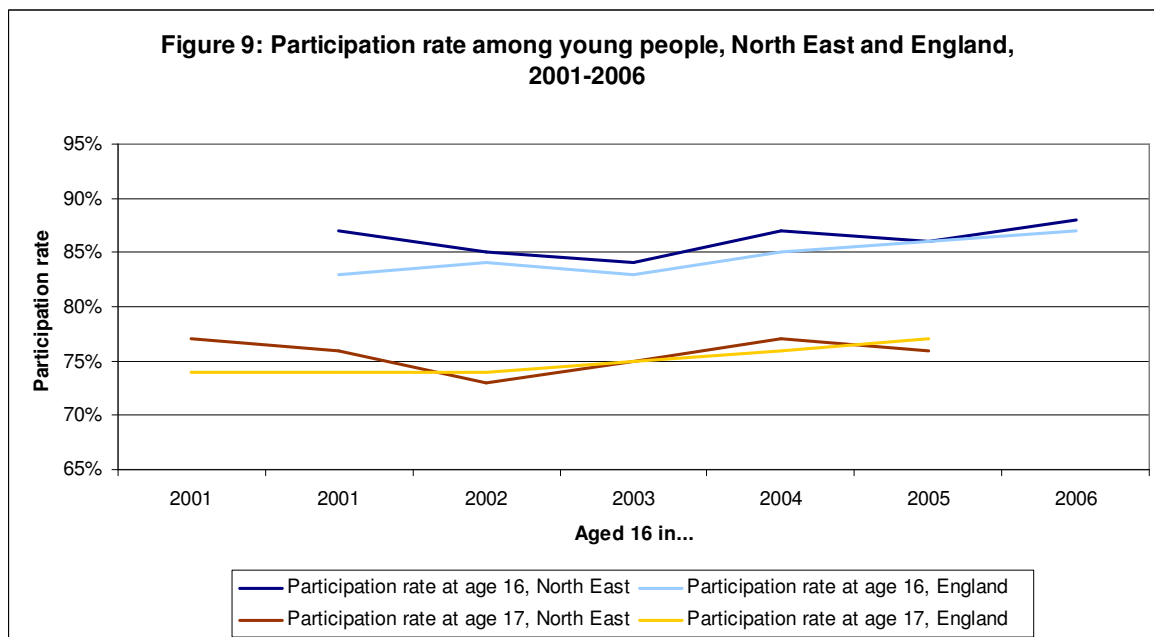
⁴² For more information on the Regional Employability Framework, see <http://www.onenortheast.co.uk/page/employability.cfm>.

- 136 The Durham Economic Partnership has developed a new Economic Strategy that highlights the potential of the engineering, business services and tourism sectors. There has been substantial investment in the City of Durham to develop its potential as a tourism, retail and leisure attraction. This is creating demands for skilled employees in these sectors, which are often characterised by part-time and temporary employment, and learning programmes that lie outside formal qualifications.
- 137 In the context of Local Area Agreements, our economic development teams have worked with local partnership teams to highlight areas of deprivation and under-performance of LSC programmes. Partnership teams have then worked with local providers to inform their marketing strategies and direct their offer. Work is also underway across the region to enhance linkages between Local Employment Partnerships and LSC-funded provision, especially Train to Gain. This is reinforcing the responsiveness of local providers to addressing the needs of disadvantaged groups.

Young people

Participation in learning

138 DCSF statistics⁴³ suggest that overall participation rates in further education and training among 16 and 17 year olds in the North East have not increased significantly since the start of the decade – though participation rates have fluctuated⁴⁴, and in broad terms there has been an upward trend in participation among both 16 and 17 year olds since lows in 2003. Participation rates among young people in the region compare favourably with the national average.



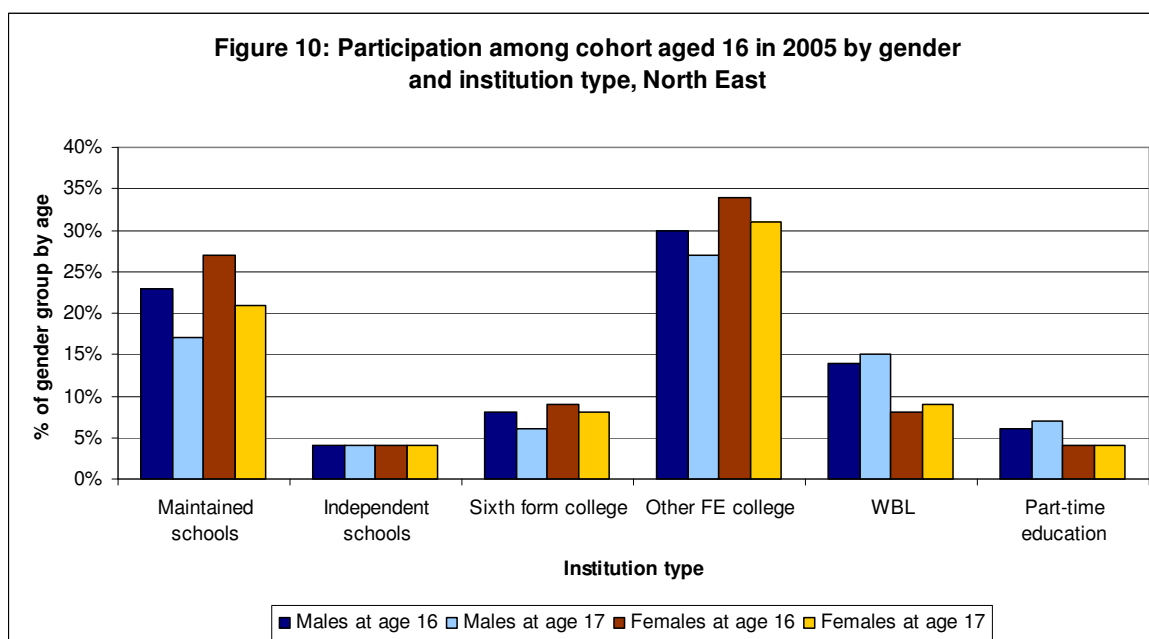
Source: DCSF Participation in Education, Training and Employment by 16–18 Year Olds in England

- 139 Some 86 per cent of the North East cohort aged 16 in 2005 were participating in further education and training at age 16. By age 17, just 76 per cent of the cohort were in learning. Since 2001, the drop-out rate between ages 16 and 17 in the region has averaged 10 per cent of the cohort, slightly above the rate seen nationally (an average 9 per cent). Local Connexions data suggests a greater drop-out by age 18.
- 140 Patterns of participation among 16 and 17 year olds in the region differ from those seen nationally. Compared with the picture in England, young people in the North East are less likely to be in maintained and independent School Sixth Forms and less likely to be in Sixth Form colleges. They are more likely to be in Further Education (FE) college provision, and more likely to be in Work Based Learning (WBL). Participation rates in WBL among 16 and 17 year olds are higher in the North East than in any other region in England.

⁴³ DCSF, 2008c. The data measures participation in all learning, not just provision which is funded by the LSC.

⁴⁴ Fluctuations in participation rates reflect not only changes in learner numbers, but also in the size of the population (the cohorts aged 16 and 17 years old) from year to year.

- 141 Patterns of participation may change in future, as data begins to reflect the establishment and growth of Academies. There are two Academies in Middlesbrough (The Kings Academy and Macmillan Academy), with almost 450 pupils aged 16–18 years old between them in 2006/07. In addition, there were 250 Sixth Form pupils in Emmanuel College in Gateshead in 2006/07. Around 80 Sixth Form pupils will transfer to Excelsior Academy in Newcastle when it opens in September 2008⁴⁵.
- 142 Patterns of participation also differ by gender. Young men are less likely than young women to learn in School Sixth Forms, Sixth Form colleges or FE colleges. They are more likely to be in Work Based Learning or part-time education⁴⁶.



Source: DCSF Participation in Education, Training and Employment by 16–18 Year Olds in England

- 143 The drop-out from learning between ages 16 and 17 is not evenly distributed. In relative terms, the drop-out is greatest from state-maintained School Sixth Forms, followed by drop-out from FE college provision. There is also some drop-out from Sixth Form colleges, particularly among young men.
- 144 There is evidence to suggest that some young people complete a planned programme between the ages of 16 and 17, and move into paid employment in preference to further learning.
- 145 This is reflected in a slight increase in participation in Work Based Learning between ages 16 and 17 and, among young men, an increase in participation in part-time education. It is not clear whether these increases are entirely due to the movement of learners from one type of provision to another, but it is likely that such movement accounts for at least some of the change (particularly as Apprenticeships offer opportunities for earning that are not available in other full-time provision).

⁴⁵ DCSF School and college (post-16) achievement and attainment tables 2007.

⁴⁶ DCSF, 2008c.

Young people not in education, employment or training

146 The proportion of young people in the North East who are not in education, employment or training is above average. We need to increase the numbers of young people engaging in learning and reduce the numbers who are NEET, ensuring that there are sufficient and appropriate learning opportunities for young people.

Table 1: 16–18 year olds not in education, employment or training (NEET), North East and England, 2006/07–2007/08

	November 2006– January 2007	November 2007– January 2008
North East	11.4%	10.0%
England	7.7%	6.7%

Source: Connexions / LSC Corporate Reports

- 147 10 per cent of 16–18 year olds in the North East were not in education, employment or training in the period November 2007–January 2008, compared with the national average of 6.7 per cent⁴⁷.
- Encouragingly, the NEET rate in the region fell by 1.4 percentage points over the previous year, more than the fall of 1.0 percentage points seen across England. Although the gap between the NEET rate in the region and the national average appears to be closing, there is still some way to go.
- 148 16 year olds make up 10 per cent of the NEET group, reflecting the relatively high participation rate among this age group. The numbers of 17 and 18 year olds who are NEET are considerably higher⁴⁸. There is a significant inflow to the NEET group at each of these ages among young people who leave learning or fail to progress, which we must address.
- 149 There is significant turnover among the NEET group in the region, with large numbers of young people becoming NEET or entering education, employment or training at different times of the year. There is also a large core of young people who have been out of education, employment and training for extended periods. Tackling the NEET churn and reducing long-term NEET each pose significant challenges.
- 150 Some 80 per cent of the NEET group are considered to be available to the labour market. The majority are seeking employment or training. 18 year olds are far less likely to be considered available to the labour market than 16 and 17 year olds.
- 151 Three quarters (67 per cent) of young people in the NEET group who were not available to the labour market in May 2008 were teenage parents

⁴⁷ Connexions/LSC Corporate Reports. These figures are consistent with the methodology used to measure the proportion of young people who are not in education, employment or training at local authority level (National Indicator 117). The national figures do not reflect the methodology used to measure progress against the Public Service Agreement target to reduce the proportion of young people who are not in education, employment or training by 2 percentage points between 2004 and 2010. Regional figures based on the PSA target methodology are not available.

⁴⁸ Connexions Activity Survey, May 2008.

(predominantly mothers) or were pregnant. Teenage parents and expectant mothers accounted for 14 per cent of *all* young people who are not in education, employment or training, regardless of availability to the labour market.

- 152 Other young people who are more likely than average to be NEET include those who are looked after, care leavers, substance misusers and those supervised by Youth Offending Teams.
- 153 There is a strong correlation between areas with high levels of NEET and those with high levels of deprivation, while young people who are NEET are under-represented in more affluent areas. This pattern is exaggerated among young people in the NEET group who are not available to the labour market⁴⁹.
- 154 Areas where the proportion of young people who are not in education, employment or training is high also tend to have relatively high proportions of the adult population who lack qualifications at Level 2, who have basic skills needs, or who claim income-related state benefits⁵⁰.
- 155 The size of the NEET group varies considerably across local authorities, ranging from 7.5 per cent of young people in Darlington to 12.8 per cent in Sunderland⁵¹. Significant progress has been made in reducing the size of the NEET group through targeted activity. Recognising that a differentiated approach is needed, we are leading a drive for targeted interventions with the NEET group, and tracking the impact of intensive local activity on NEET levels so that we can promote good practice.
- 156 Achieving the NEET targets set out in Local Area Agreements will mean that the proportion of young people in the North East who are not in education, employment or training will fall to 8 per cent in 2010/11.

In real terms, we estimate that this translates to an additional 1,700 learners aged 16–18 who will be re-engaged in learning over the three years between 2008/09 and 2010/11 (including 550 in 2009/10), independent of any other increases in participation⁵².

Young people in jobs without training

- 157 Employment among young people is significantly lower than the regional average for all people, partly reflecting the level of participation in learning among this age group. Unemployment among young people is well above the regional average.
- 42 per cent of 16–19 year olds in the region were in employment in 2007, compared with 72 per cent of all working age people.
 - 24 per cent of 16–19 year olds were unemployed and seeking work, compared with 6 per cent of all working age people.

⁴⁹ LSC North East, forthcoming.

⁵⁰ LSC North East, 2008e.

⁵¹ Connexions Activity Survey November 2007–January 2008.

⁵² LSC North East, 2008g.

- Young men were no more likely to be in employment than young women, but were more likely to be unemployed and seeking work⁵³.
- 18 and 19 year olds were significantly more likely to be working than 16 and 17 year olds.
- 33 per cent of young people in employment in May 2008 were in Work Based Learning with employed status. The number of employed young people in WBL increased by 11 per cent over the previous year.
- 17 per cent of young people in employment were receiving training to at least Level 2 which was arranged or funded by their employer, a similar proportion to that in May 2007⁵⁴.

158 Some 22 per cent of employed young people in the region (almost 3,000 people) were in employment without training to Level 2 in May 2008, far fewer than in May 2007. Almost two thirds of these (62 per cent) were aged 18. It is not known how many might already hold qualifications at Level 2.

159 Some 20 per cent of employed young people in the region were in a job with locally recognised training. This includes non-accredited employer training schemes. 18 year olds were significantly more likely to be in employment with locally recognised training than 16 and 17 year olds.

Raising the participation age: implications for 2009/10

160 The Government set a target in its 14–19 White Paper to increase participation among 17 year olds to 90 per cent by 2015⁵⁵. The Government has since extended this ambition towards the goal of raising the participation age to 17 by 2013 and to 18 by 2015⁵⁶.

An interim target for 86 per cent of 17 year olds to be in learning in 2010/11, on the trajectory towards full participation by 2013, was set in the LSC Grant Letter 2008/09⁵⁷.

161 Our analysis suggests that in order for the North East to achieve the interim target, there must be a sharp increase in participation among 17 year olds between 2006 and 2010 – a ten percentage point increase in participation rates is needed over this period.

A further increase of 14 percentage points is needed between 2010 and 2013 if a 100 per cent participation rate among 17 year olds is to be achieved.

Based on ONS population projections, our regional trajectory towards these targets suggests that there will be some 27,700 17 year olds in learning in 2009/10, compared with 25,400 in 2006/07⁵⁸.

162 The Government argues that no groups of young people should be formally exempt from the duty to participate, as an exemption could mean they do not receive the help and support they need, and could deny them opportunities;

⁵³ ONS Annual Population Survey Jan–Dec 2007. Data relating specifically to 16–18 year olds is not available.

⁵⁴ Connexions Activity Survey May 2007 and May 2008.

⁵⁵ DfES, 2005a.

⁵⁶ DCSF, 2006.

⁵⁷ DfES, 2007.

⁵⁸ LSC North East, 2008g.

lowering expectations for that group and removing the imperative to ensure that the right support and provision are in place.

Nevertheless, the Government recognises that there will be some young people who temporarily, or even for a longer time, cannot participate due to their circumstances. Such circumstances might include homelessness, health problems, caring responsibilities, waiting to start a course on which a place has already been found, or learning difficulties where the right support is not yet in place⁵⁹.

- 163 No information is available on the number of young people in the North East who are affected by such circumstances, or indeed by other circumstances which might reasonably prevent them participating in learning. While our analysis is therefore based on the assumption that full participation means a participation rate of 100 per cent, in reality it is likely to mean a participation rate *close to* 100 per cent. In this case, the number of 17 year olds in learning in 2009/10 will be slightly lower than our analysis suggests.

14–19 reform

- 164 We are progressing well in implementing the 14–19 Reform Agenda in the North East. We still have a considerable way to go, however, and it is essential that partners continue to work together to increase our momentum.
- 165 None of the reforms to 14–19 education and skills set out in the 14–19 White Paper⁶⁰ and Implementation Plan⁶¹ can be achieved without strong local partnerships. We are closely involved in the 12 local 14–19 Learning Partnerships in the region. The Partnerships are responsible for the strategic direction of 14–19 learning across each local area, within the Every Child Matters framework.

Online prospectus and the common application process

- 166 Each of the 12 local authorities in the region has a website for 14–19 year olds which includes a prospectus of all learning opportunities available to them. The prospectuses were all delivered in line with the national deadline of August 2007 and are the subject of ongoing development. We have taken a regional approach to developing and maintaining the database which underpins the prospectuses, so that young people can access information and provision across local authority boundaries. The database is maintained and quality assured by LSC North East. The design of each 14–19 website is entirely local.
- 167 Local areas are also developing a common application process and individual learning plan ahead of the 2010 deadline for their introduction. A number of pilots are in operation across the region and the LSC facilitates a network to share good practice and lessons learnt from these.

⁵⁹ DCSF, 2006.

⁶⁰ DfES, 2005a.

⁶¹ DfES, 2005b.

Young Apprenticeships

- 168 The Young Apprenticeship programme is well established in the North East, with a comparatively high proportion of 14–16 year olds involved. By September 2008, there were around 2,100 young people on the programme, from schools in most local authorities in the region.
- 169 The continuing success of Young Apprenticeships depends on strong delivery partnerships between schools, employers, colleges and training providers. Partnerships from the region have regularly contributed to national conferences and have been exemplified as models of good practice.

Key Stage 4 Engagement Programme

- 170 Key Stage 4 Engagement Programmes offer a work-focused route to motivate 14–16 year olds who are at serious risk of disaffection. The first programmes were established in 2006/07 and have now been extended to include over 1,400 learners in the region across five local authority areas.

14–19 Diplomas

- 171 Local 14–19 Partnerships are working hard to ensure that the Diploma entitlement set out in the 14–19 Implementation Plan is available to all young people in the region by September 2013.
- 172 Teaching of the first round of Diplomas began in several local areas across the North East in September 2008. Gateway Two saw a number of partnerships receive approval for delivery from 2009, when there will be a considerable roll-out of Diploma delivery across the region.
- 173 Discussions are taking place in preparation for submissions to Gateway Three which will see further lines of learning made available for approval. Successful applicants must demonstrate that they have the capacity and expertise to provide quality teaching and learning in order to pass through the Gateway.
- 174 As we move towards 2013, discussions are taking place in respect of cross-authority submissions which seek to ensure the efficient use of expertise and resources in meeting the entitlement.

Participation in LSC-funded learning

- 175 The number of 16–18 year olds in LSC-funded learning in the North East rose by 0.5 per cent between 2005/06 and 2006/07, compared with growth of 4 per cent nationally.

Participation by funding stream

- 176 Our learner data does not yet reflect the new Demand Led Funding models, and the analysis presented here reflects old funding streams. From 2008/09, mainstream provision for 16–18 year olds will be funded from the 16–18 Learner Responsive and Employer Responsive budgets.
- The 16–18 Learner Responsive budget will fund some provision previously funded from FE budgets, and Entry to Employment (E2E) provision.

- The Employer Responsive budget will fund Apprenticeships and National Vocational Qualifications (NVQs) previously delivered in the workplace through FE funding.

Table 2: 16–18 year olds in LSC-funded provision by funding stream, North East, 2005/06–2007/08

Funding stream	2005/06	2006/07	2007/08 year to date
Further Education	42,101	42,576	39,997
School Sixth Forms	15,422	15,927	16,925
Work Based Learning	9,147	8,581	8,585
Entry to Employment (starts)	4,412	4,287	2,332
Employer Training Pilot / Train to Gain	3	158	50
Adult and Community Learning	1,219	1,144	664
All funding streams	72,305	72,673	68,553

Source: LSC Corporate Reports

177 Trends in 16–18 year old learner numbers in the North East between 2005/06 and 2006/07 reflect those seen nationally:

- The number of young people in Further Education provision in the region rose by 1 per cent, slightly below the growth of 3 per cent seen in England.
- The number of 16–18 year olds in School Sixth Form provision in the region rose by 3 per cent, above the growth of 2 per cent seen nationally.
- The number of young people in Work Based Learning provision in the region fell by 6 per cent, in line with the fall of 7 per cent seen in England.
- The number of young people starting Entry to Employment programmes in the region fell by 3 per cent, slightly above the fall of 1 per cent seen nationally.

178 Trends in 16–18 year old learner numbers vary across the region, partly reflecting differences in the growth of learning providers. Between 2005/06 and 2006/07, learner numbers fell by 7 per cent in Northumberland and by 3 per cent in Tees Valley, while remaining steady in County Durham and rising by 5 per cent in Tyne and Wear.

- The number of young learners in FE provision grew in Tyne and Wear (7 per cent) and County Durham (2 per cent). Tees Valley saw a slight fall in learner numbers (2 per cent), partly due to decline in the cohort and increased participation in school sixth forms, but also reflecting the refocusing of provision to meet priority areas and the cessation of funding for summer school provision in sixth form colleges. Northumberland saw a much more significant fall (19 per cent), largely related to the refocusing of provision on priority areas.
- The number of 16–18 year olds in School Sixth Form provision rose in all sub-regional areas. Tees Valley saw the most significant rise (6 per cent).
- All areas saw a fall in the number of young learners in WBL provision. In relative terms, this was most significant in Northumberland (19 per cent). This was partly due to the increased emphasis on employed status for

apprentices, and the difficulties in engaging employers in an economy dominated by very small businesses in rural areas.

- 179 Trends in learner numbers also vary by institution, with some providers highlighting significant drops in learner numbers between 2005/06 and 2006/07. While this reflects the refocusing of provision at a broader level, increased choice for learners has also impacted negatively on some providers. In some cases, this reflects learner perceptions of the quality of provision or the learning environment in different providers, particularly where there has been recent capital investment.
- 180 The most recent data records fewer 16–18 year olds in LSC-funded provision in the North East in 2007/08 than in the previous year, though it is important to recognise that only a partial picture of delivery during 2007/08 is available. Reflecting the national picture, the data records around 6 per cent fewer young learners in 2007/08 than in 2006/07⁶².
- The data shows a fall of 6 per cent in the number of 16–18 year olds in FE provision, compared with a fall of 4 per cent in England.
 - The data shows a 6 per cent rise in the number of young people in School Sixth Form provision in the North East. This contrasts with a fall of 1 per cent in England.
 - The data shows the same number of 16–18 year olds in Work Based Learning in the region. In England, the number of young people in WBL has fallen by 1 per cent.
 - The data shows a of 46 per cent in the number of young people starting Entry to Employment programmes, in line with the national picture.
- 181 According to this data, all areas saw a fall in the number of 16–18 year old learners between 2006/07 and 2007/08. Learner numbers in Tyne and Wear in 2007/08 were down 4 per cent. In Northumberland, learner numbers were down 5 per cent. In County Durham, they were down 6 per cent. In Tees Valley, learner numbers were down 11 per cent.
- The data shows a fall in the number of young learners in FE in all areas. Tees Valley saw the biggest fall (9 per cent).
 - The data shows a continuing rise in the number of learners in School Sixth Forms. Northumberland saw a much smaller increase than other areas (less than 1 per cent), reflecting historical preferences for School Sixth Form provision among young learners in the county and the limited potential to increase participation. In comparison, County Durham and Tees Valley saw increases of 7 per cent, while learner numbers increased by 9 per cent in Tyne and Wear.
 - The data shows a fall of 7 per cent in the number of young learners in WBL in Northumberland, but learner numbers held steady or increased in other areas.

⁶² At the time of writing, the available data for 2007/08 records individuals in learning up to 1 November in FE. More recent data released just prior to publication, counting individuals in learning in FE throughout the year, shows a 4 per cent increase in the number of young people in LSC-funded learning in the North East between 2006/07 and 2007/08, with a similar increase (4 per cent) in the number of 16–18 year olds in FE. Full data for 2007/08, including achievements data, will be available in April 2009.

- The latest data shows a significant fall in the number of young learners starting E2E programmes in all areas.
- 182 There is a clear trend of growth in School Sixth Form learner numbers in the region. This is associated with improving GCSE attainment and the enhanced offer for learners, particularly in relation to vocational provision. There is also some evidence of improved retention between Year 12 and Year 13.
- 183 There are concerns about the impartiality of information, advice and guidance (IAG) provided in schools and by parents, peers and other influences on young learners' choices, and about the learning paths chosen by some young people as a result of the information they receive. Local 14–19 partnerships are seeking to address these concerns through the implementation of the new Quality Standards for Young People's IAG.
- 184 The shift towards School Sixth Form provision may be impacting on participation in other areas, particularly Work Based Learning. Learner numbers in Work Based Learning are also affected by the implementation of Minimum Levels of Performance (MLP).
- Increasing learner numbers to meet Government ambitions (and LSC targets) for Apprenticeships will require a significant increase in starts and continued improvement in learner retention.

Full Level 2 and Level 3

- 185 The most recent data suggests that 23 per cent of 16–18 year olds in LSC-funded learning in the North East in 2007/08⁶³ were undertaking full Level 2 programmes, a slightly higher proportion than in England (21 per cent).
- The data suggests that 48 per cent of young people in LSC-funded learning in the region were undertaking full Level 3 programmes, a slightly lower proportion than in England (52 per cent).
- 186 Between 2005/06 and 2006/07, there was a clear shift towards full Level 2 programmes in FE provision in the North East. The number of 16–18 year olds undertaking full Level 2 programmes grew by 8 per cent over this period, in line with the growth seen in England.
- 187 More recently, there appears to have been a shift toward full Level 3 programmes. The most recent data suggests that between 2006/07 and 2007/08, the number of young people undertaking full Level 3 programmes in FE provision in the North East increased by 6 per cent (compared with 5 per cent in England). Over the same period, the number undertaking full Level 2 programmes fell by 8 per cent (compared with a fall of 2 per cent in England).
- 188 These trends are reflected in a shift from a historical position of relatively high levels of part-time 16–18 provision to a more full-time, full-year offer. This shift was apparent in all areas, but most significantly in Northumberland. Improving attainment at Level 2 is also leading to increased take-up at Level 3.

⁶³ 2007/08 is the first year for which data on the level of courses undertaken in School Sixth Forms is available.

Participation by gender

- 189 The latest available data shows that half the 16–18 year olds in LSC-funded learning in the North East in 2007/08 were male, and half female.
- 190 There were more young men than young women in WBL and E2E provision. In contrast, there were more young women than young men in School Sixth Forms. There was a more even gender balance in FE, where the number of young women was only very slightly higher than the number of young men.
- 191 Young men were slightly more likely than young women to undertake full Level 2 programmes. 25 per cent of 16–18 year old males in LSC-funded learning in the North East in 2007/08 were on full Level 2 programmes, compared with 21 per cent of 16–18 year old females.

In contrast, young women were more likely than young men to undertake full Level 3 programmes. 51 per cent of young women in LSC-funded learning in the region in 2007/08 were on full Level 3 programmes, compared with 45 per cent of young men.

Participation by ethnicity

- 192 The latest available data suggests that 4 per cent of 16–18 year olds in LSC-funded learning in the North East in 2007/08 were from black and minority ethnic communities. In addition, the ethnicity of 2 per cent of learners was unknown.
- 193 Young people from BME communities are over-represented in FE and School Sixth Form provision, where they account for a slightly higher than average proportion of learners. In contrast, they are under-represented in WBL and E2E provision.
- 194 Learners from black and minority ethnic communities were less likely to undertake full Level 2 programmes than white learners. Among those from BME communities, learners from Asian backgrounds were most likely to undertake full Level 2 programmes. Learners from Chinese and other ethnic backgrounds were least likely to do so.

Young learners from mixed heritage backgrounds were most likely to undertake full Level 3 programmes. Young learners from other black and minority ethnic backgrounds were less likely to do so than white learners. Those from Black backgrounds were least likely to undertake full Level 3 programmes.

Learners with learning difficulties and/or disabilities

- 195 Some 12 per cent of 16–18 year olds in LSC-funded learning in the North East in 2007/08 considered themselves to have a learning difficulty and/or disability.
- 196 FE attracts by far the largest number of young learners with learning difficulties and/or disabilities (LLDD). Almost three in every four 16–18 year olds with learning difficulties and/or disabilities who undertook LSC-funded learning in the region in 2007/08 participated in FE.
- 197 Overall, there has been an increase in participation in FE among 16–18 year old learners with learning difficulties and/or disabilities. Specific areas of increase include learners identified with dyslexia, moderate learning

difficulties, 'other medical conditions', disability affecting mobility and mental ill health.

There has been a reduction in the number identified with visual impairments, while the numbers of learners with hearing impairments, specific learning difficulties or emotional and behavioural difficulties have changed only slightly.

- 198 The number of 16–18 year olds with learning difficulties and/or disabilities in Apprenticeship programmes in the North East have reduced overall. In particular, there have been reductions in the numbers of learners with moderate learning difficulties, 'other medical conditions', dyslexia and emotional and behavioural difficulties.
- 199 Learners with learning difficulties and/or disabilities are slightly under-represented among young learners in FE, where they account for 11 per cent of all 16–18 year olds. Similarly, learners with learning difficulties and/or disabilities are under-represented in WBL, where they account for slightly fewer than 11 per cent of young learners.
- In contrast, learners with learning difficulties and/or disabilities are significantly over-represented in E2E provision. Nearly one in three (32 per cent) young learners undertaking E2E programmes in the North East in 2007/08 had a learning difficulty and/or disability.
- 200 The data suggests that 16–18 year olds with learning difficulties and/or disabilities were more likely than average to undertake full Level 2 programmes. Some 31 per cent of young learners with learning difficulties and/or disabilities who were in LSC-funded learning in the North East in 2007/08 were undertaking a full Level 2, compared with 23 per cent of all 16–18 year old learners.
- 201 Young learners with learning difficulties and/or disabilities were significantly less likely than average to undertake full Level 3 programmes. Just 20 per cent of those in LSC-funded learning in the region in 2007/08 were undertaking a full Level 3, compared with 48 per cent of all young learners.
- 202 Schools data shows that across the 12 local authorities in the region, there are continuing increases in the number of learners aged 14 and 15 with autistic spectrum disorders. There are also overall increases in those with physical disabilities in Gateshead, Middlesbrough, Redcar and Cleveland and South Tyneside.

In addition, there are increases in profound and multiple learning difficulties at age 15 in Middlesbrough, North Tyneside and South Tyneside and at age 14 in Redcar and Cleveland. Growth in learners with visual and hearing impairments is also apparent⁶⁴.

Specialist provision for learners with learning difficulties and/or disabilities

- 203 As well as provision for learners with learning difficulties and/or disabilities delivered through mainstream LSC funding, there are four specialist LLDD providers in the North East region. All are located in the north of the region,

⁶⁴ Pupil Level Annual Schools Census 2004/05 to 2006/07.

offering courses for learners with learning disabilities, learners with complex disabilities, and learners with autistic spectrum disorders. We currently fund provision for 67 residential learners and 130 non-residential learners in these four providers. In addition, we fund provision for another 57 residential learners in specialist providers outside the region.

- 204 Overall, the number of referrals for specialist provision is increasing year on year. County Durham is continuing to refer large numbers of learners, particularly for the autism-specific provision available in the north of the region, whilst Northumberland learners are predominately accessing the specialist provision situated within the county.
- 205 Despite the development of mainstream provision to target local needs, there are increases in referrals from Gateshead, Newcastle, South Tyneside, Stockton and Sunderland. In contrast, there is a decline in the number of learners being referred from Tees Valley.

Travel to learn

- 206 The number of young people who live in the North East but travel out of the region to learn appears to be slightly higher than the number living outside the North East but travelling into the region to learn. Outward flows from the region are mainly into Work Based Learning, and are largely attributable to National WBL providers based outside the North East but delivering learning within the region⁶⁵.
- 207 There are significant learner flows across local authority boundaries in the region. Travel to learn patterns are influenced by many factors, including the availability and convenience of transport as well as the provision offered and learner preferences.
- 208 It is recognised that 14–19 reforms present potential transport challenges for local delivery, perhaps most significantly in rural areas, though the nature and scale of the challenge differs from area to area⁶⁶.
- 209 In 2006/07, 77 per cent of 16–18 year old learners resident in Northumberland learn within the county. 14 per cent travel to Newcastle, with smaller proportions travelling to North Tyneside or Gateshead. Outward movements into Newcastle were predominantly into FE.
- Inward flows to Northumberland are less significant, though small numbers of 16–18 year olds travel from Newcastle and North Tyneside in particular.
- 210 68 per cent of young learners living in Gateshead learn within the district. The most significant outward flows are into Newcastle (21 per cent of young learners resident in Gateshead), predominantly into FE.
- The most significant inward flows to Gateshead are among 16–18 year olds living in South Tyneside, Newcastle and Sunderland.
- 211 79 per cent of 16–18 year old learners resident in Newcastle learn within the city. Outward flows are mainly to the neighbouring districts of Gateshead and

⁶⁵ Individualised Learner Record 2006/07, Post-16 Learning Aims Management System 2006/07.

⁶⁶ York Consulting, 2008.

North Tyneside. Outward flows to North Tyneside in particular were mainly into WBL or E2E.

Newcastle sees large inward flows of young learners, most significantly from Northumberland, North Tyneside, Gateshead and South Tyneside. Inward flows to Newcastle are predominantly into FE.

- 212 68 per cent of young learners resident in North Tyneside learn within the district. Outward flows to Newcastle are significant, accounting for 23 per cent of 16–18 year old learners living in North Tyneside. Much smaller numbers travel to Gateshead and Northumberland. Outward flows, particularly to Newcastle, are mainly in FE. There is concern that the transport network in Tyne and Wear makes it easier for learners to travel from North Tyneside to FE colleges in other local authorities than to travel to Tyne Metropolitan College.

Inward flows to North Tyneside are less significant than outward flows, though a number of young learners travel into the district from Newcastle and Northumberland in particular.

- 213 59 per cent of 16–18 year old learners living in South Tyneside learn within the district, the smallest proportion of any local authority. Outward flows to Newcastle, Gateshead and Sunderland are particularly significant.

Inward flows to South Tyneside are small, though some young learners travel into the district from Sunderland and Gateshead.

- 214 76 per cent of young learners living in Sunderland learn within the city. Outward flows to County Durham and Gateshead are most significant, with a smaller number of learners travelling to Newcastle. Outward flows to County Durham are mainly into School Sixth Forms.

The most significant inward flows to Sunderland are among 16–18 year old learners living in County Durham and South Tyneside.

- 215 77 per cent of 16–18 year old learners living in County Durham learn within the county. The most significant outward flows are to Darlington, with smaller numbers of County Durham residents travelling to Sunderland, Gateshead, Newcastle and Hartlepool.

The most significant inward flows to County Durham are seen among young learners living in Sunderland, with smaller numbers of learners travelling from Darlington and Gateshead to learn in the county.

- 216 84 per cent of young learners living in Darlington learn within the district. The most significant outward flows are to County Durham, with a smaller number of learners travelling to Stockton-on-Tees. Outward movements into County Durham were predominantly into WBL.

Inward flows to Darlington are particularly significant among young learners from County Durham and from North Yorkshire. Inward movements from North Yorkshire are attributed to the Darlington College centre based in Catterick, and so in effect reflect learning in North Yorkshire.

- 217 83 per cent of 16–18 year old learners living in Hartlepool learn within the district. Outward flows are most significant to Middlesbrough and Stockton-on-Tees, with smaller numbers of young learners travelling to County

Durham and Sunderland. Outward flows to County Durham are mainly into FE.

Inward flows to Hartlepool are most significant among young learners living in Stockton-on-Tees, with smaller numbers travelling from County Durham.

- 218 74 per cent of young learners living in Middlesbrough learn within the district. The most significant outward flows are to Redcar and Cleveland and Stockton-on-Tees. Outward movements into Redcar and Cleveland in particular are mainly into FE.

Inward flows to Middlesbrough are most significant among 16–18 year olds living in Redcar and Cleveland and Stockton-on-Tees. The number of learners travelling into Middlesbrough from each of these districts is larger than the number travelling in the opposite direction. Inward flows to Middlesbrough are predominantly into FE.

- 219 63 per cent of 16–18 year old learners living in Redcar and Cleveland learn within the district. The most significant outward flows are into Middlesbrough (29 per cent of young learners resident in Redcar and Cleveland), mainly into FE.

Inward flows to Redcar and Cleveland are most significant among young learners living in Middlesbrough, with a smaller number of learners travelling from Stockton-on-Tees.

- 220 64 per cent of young learners living in Stockton-on-Tees learn within the district. The most significant outward flows are into Middlesbrough, with smaller numbers of learners travelling to Hartlepool and to Redcar and Cleveland.

Inward flows to Stockton-on-Tees are most significant among 16–18 year old learners living in Middlesbrough, with smaller numbers travelling from Redcar and Cleveland and Hartlepool.

Skills for Life

- 221 In 2006/07, over 30,200 young people participated in LSC-funded Skills for Life programmes in the North East. Between 2005/06 and 2006/07, there was a small increase in participation by young people on approved Skills for Life courses, but a larger fall in participation on non-approved programmes, leading to a small fall in overall participation. 98 per cent of young learners in Skills for Life provision in 2006/07 participated in approved courses.
- 222 Between them, young people took up almost 54,200 Skills for Life learning aims over the year. 95 per cent of these enrolments were on approved courses, compared to 81 per cent in 2005/06.
- 223 Half of the approved learning aims taken up by young people in 2006/07 were at Level 1. 42 per cent were at Level 2, and the remaining 8 per cent at Entry Level. Early 2007/08 data suggests that this pattern of take up continues.
- 224 49 per cent of approved Skills for Life learning aims taken up by young people were numeracy courses, with Key Skills in the Application of Number the most popular course. The same proportion of aims were literacy

programmes – mostly Key Skills in Communication. The remainder were ESOL courses or were not assigned to a Skills for Life category.

Foundation Learning Tier

- 225 The Foundation Learning Tier (FLT) is a major programme of reform, aiming to provide a coherent framework of provision below Level 2, allow incremental achievement and support progression to Level 2 and above for young people (from the age of 14) and adults.
- 226 FLT involves the development and implementation of Progression Pathways, made up of provision at Entry Level and Level 1 of the Qualifications and Credit Framework⁶⁷. There are currently four types of Progression Pathway, providing progression to skilled work (an Apprenticeship), to a first full Level 2, to a Level 1 Diploma or GCSE or, for learners with learning difficulties and/or disabilities, to supported employment or independent living.
- 227 In 2006/07, there were almost 7,600 young learners and 41,500 adults aged 19 and over in Entry Level and Level 1 provision in the North East⁶⁸. Learner numbers were lower than in 2005/06, particularly among adults – the number of learners aged 19 and over in Entry Level and Level 1 provision fell by 39 per cent (compared with a fall of 30 per cent across England), partly as a result of the shift in LSC funding towards priority Personal, Community and Development Learning and Level 2 provision.
- The number of 16–18 year olds in Entry Level and Level 1 provision in the North East, meanwhile, fell by 5 per cent. No change was seen nationally.
- The latest data suggests that these trends are continuing, with the decline in learner numbers greater in the North East than seen nationally.
- 228 The LSC and the Qualifications and Curriculum Authority (QCA) are jointly responsible for the staged development of FLT provision, with full implementation by August 2010. QCA's role involves developing credit-based units and qualifications, the qualification strategy and the schools-based offer. The LSC's role covers phased implementation and transition, planning, funding and data, and evaluation.
- 229 In 2008/09, 25 providers in the North East (including general FE colleges, private providers, local authorities and charitable organisations) are involved in small-scale and developmental delivery of Progression Pathways.
- 230 In 2009/10, the LSC will start to actively focus funding and align performance measures to Progression Pathways, and greatly increase the number of providers delivering them. Progression Pathways will begin to replace existing provision such as Entry to Employment, first steps and foundation learning in FE.

⁶⁷ The Qualifications and Credit Framework will replace the current National Qualifications Framework, and will allow units and qualifications to be combined to suit learners' needs and aspirations.

⁶⁸ LSC Corporate Reports. Adult learner numbers are reported here for convenience.

231 Key issues and challenges ahead of the full implementation of FLT provision include:

- The population of the Qualifications and Credit Framework (QCF) at Entry Level and Level 1. Currently, the QCF is populated with functional skills and personal and social development qualifications, with few vocational qualifications available.
- Communicating FLT and raising awareness among partners and providers who are not currently involved in delivery. This is a national challenge.
- Transition planning and implementation, including managing cultural change within the provider network.
- Ensuring FLT provision complements other existing provision, in both the 14–19 and adults skills contexts.
- Ensuring providers fully understand the funding methodology for FLT.

Entry to Employment

232 Entry to Employment programmes offer opportunities for young people to prepare for entry to an Apprenticeship, employment, or further vocational learning in FE. In 2007/08, almost 5,000 E2E programmes were started in the North East⁶⁹.

233 63 per cent of starts in Entry to Employment in the North East in 2007/08 were by young men, slightly above the national average of 59 per cent. Young men accounted for particularly high proportions of E2E starts in Tyne and Wear (85 per cent) and County Durham (71 per cent). This reflects lower attainment in compulsory education among young men compared with young women.

234 33 per cent of E2E starts were by learners with a learning difficulty and/or disability, slightly higher than the national average (30 per cent). Learners with learning difficulties and/or disabilities accounted for a higher proportion of E2E starts in Tyne and Wear (36 per cent) than in other sub-regions.

235 Just over 2 per cent of E2E starts in the region in 2007/08 were by learners from black and minority ethnic communities. While this reflects ethnicity among the region's population as a whole, DCSF statistics suggest that the proportion of young people who are from BME communities is higher than the proportion among the total population, and young people from BME communities may be under-represented in Entry to Employment⁷⁰. This is likely to reflect the greater propensity for young people from BME communities to progress from school to FE college and School Sixth Form provision.

236 Just under 4,400 learners left E2E programmes in the North East in 2007/08. 54 per cent progressed to positive outcomes, an increase of 5 percentage points on 2006/07 (compared with an increase of 1 percentage point in England, to 52 per cent). This improvement meant that the North East had the second highest positive progression rate of any region in 2007/08.

⁶⁹ LSC Corporate Reports.
⁷⁰ DCSF, 2007a.

- 237 Progression rates are lower than average among learners from black and minority ethnic backgrounds, among female learners and among learners with learning difficulties and/or disabilities.
- 238 42 per cent of leavers who progressed to positive outcomes from E2E programmes progressed to Further Education. This was a higher proportion than the national average (38 per cent). Northumberland and County Durham each saw relatively high proportions of leavers progressing to FE (respectively, 53 per cent and 48 per cent of positive progressions).
- 239 26 per cent of positive progressions from E2E were to Work Based Learning, well above the national average (19 per cent). Within the region, Tyne and Wear saw the highest proportion of leavers progressing to WBL (30 per cent).
- 240 32 per cent of positive progressions from E2E were to employment, well below the national average (42 per cent). Progression to employment was significantly lower in County Durham than in other sub-regions in the North East (25 per cent of positive progressions).
- 241 Just 26 per cent of leavers from E2E programmes who progressed to employment progressed to a job with training, compared with an average 32 per cent across England. Progression to employment with training was higher in Northumberland than in other parts of the region (32 per cent), and lowest in Tees Valley (20 per cent).
- 242 There are developed E2E networks in each local authority, and E2E providers are also encouraged to use local and sub-regional WBL networks to strengthen links between E2E and Apprenticeship provision, in order to support improved progression. Best practice is shared between these networks.

Funding mix

- 243 In 2006/07, our funding for young people's learning in the North East totalled almost £193 million. This represents an increase of 3 per cent on 2005/06.

Table 3: Funding mix for 16–18 year old learners, North East, 2006/07

Category	Funding
Foundation Learning Tier	£20,649,522
Skills for Life – non-accredited	£1,329,979
Skills for Life – target bearing	£8,631,054
Level 2 – directly contributes to full Level 2 threshold; Apprenticeships	£44,812,445
Level 3 – directly contributes to full Level 3 threshold; Advanced Apprenticeships	£68,736,287
Level 2 – does not directly contribute to full Level 2 threshold	£6,731,620
Level 3 – does not directly contribute to full Level 3 threshold	£10,374,982
Level 4	£8,751
Level not classified	£31,593,830
Total	£192,868,471

Source: LSC Corporate Reports

- 244 Full Level 2 and full Level 3 provision accounted for the largest shares of our funding in 2006/07. Compared with the national average, we spend a slightly higher proportion of our funding on full Level 2 programmes (23 per cent compared with 21 per cent in England) and a slightly lower proportion on full Level 3 programmes (37 per cent compared with 39 per cent in England). This reflects differences in patterns of participation.
- 245 Provision without an equivalent NVQ level accounted for a significant share of our 16–18 funding. This provision was mainly Learner Entitlement programmes.

Learner support

Education Maintenance Allowance

- 246 The Education Maintenance Allowance (EMA) provides financial support to young people from lower income families to encourage and reward participation in post-16 learning. National evaluation shows that EMA has had a positive impact on participation, retention and achievement among young learners from disadvantaged backgrounds⁷¹.
- 247 EMA take-up is growing more rapidly in the region than nationally. Between June 2007 and June 2008, the number of eligible young people taking up EMA in the North East increased by 7 per cent (to more than 33,700), compared with an increase of 5 per cent across England. Increases in take-up were particularly significant in E2E and Programme-led Apprenticeships.
- 248 EMA take-up among eligible young people in the North East is above the national average, though take-up declines with age:
- 49 per cent of eligible 16 year olds in the region received EMA in 2007/08, compared with 39 per cent in England.
 - 38 per cent of eligible 17 year olds received EMA, compared with 31 per cent in England.
 - 12 per cent of eligible 18 year olds received EMA, compared with 11 per cent in England.
- 249 The North East has the smallest proportion of any region of providers with stoppage rates outside the expected 5–15 per cent. Stoppage rates identify the percentage of learners who are not receiving their EMA payment each week. EMA guidance gives learning providers the flexibility to set their own attendance criteria for receipt of EMA, within national guidelines. 64 per cent of providers in the region had stoppage rates outside the 5–15 per cent range at the end of June 2008, compared with the national average of 72 per cent⁷².

⁷¹ RCU, 2007; Institute for Fiscal Studies, 2007.

⁷² LSC Education Maintenance Allowance Regional Data Book – North East, June 2008.

Care to Learn

250 The North East has the highest rate of teenage pregnancy of any region. Teenage pregnancy rates are particularly high in parts of Tees Valley and parts of Tyne and Wear⁷³. Teenage pregnancy and parenthood are among the most significant reasons why young people – predominantly but not exclusively young women – who are NEET are not available to the labour market, and typically lead to lengthy periods out of education, employment and training.

Some 77 per cent of 16–18 year olds in the North East who were NEET for six months or longer up to May 2008 were pregnant or were teenage parents⁷⁴.

251 Care to Learn gives financial support to teenage parents (including fathers) who want to continue their education or training and need help with the cost of childcare. Between August 2007 and May 2008, 20 per cent of teenage mothers in the North East were supported through the Care to Learn scheme. This take-up rate was the highest in the country (equalled by the North West and London regions), and well above the national average of 15 per cent⁷⁵.

252 National evaluation⁷⁶ suggests that Care to Learn is very important in supporting young parents in learning. Some 88 per cent of those receiving Care to Learn in 2004/05 said they would not have gone on a course without the support it provided. Only 2 per cent said that the funding they received made no difference to their learning.

Care to Learn also has positive impacts on achievement and progression to further learning and employment.

Achievement

FE success rates

253 The overall success rate among 16–18 year olds in Further Education in the North East in 2006/07 was 77.1 per cent. FE success rates among young people in the North East continue to improve, though slightly faster growth in England means that success rates in the region are beginning to slip a little below the national average (77.5 per cent).

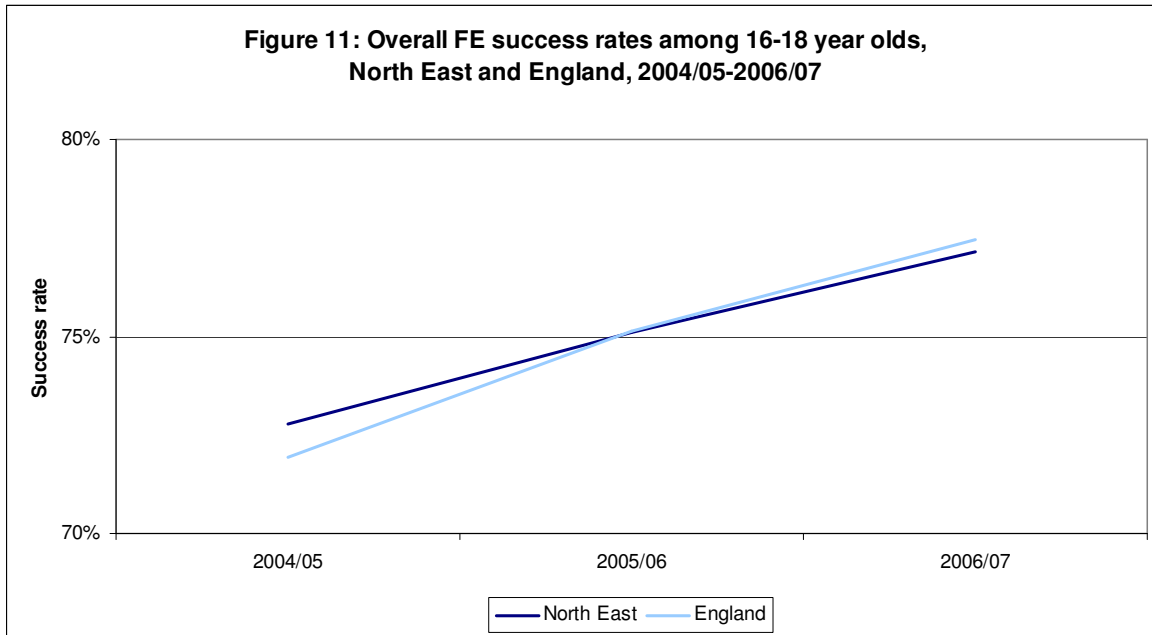
254 Overall FE success rates among young women (78.1 per cent) remain higher than those among young men (76.1 per cent), though the gap is closing – from 3.4 percentage points in 2004/05 to 2.0 percentage points in 2006/07.

⁷³ ONS Conceptions to women aged under 18, 2001-2006.

⁷⁴ Connexions Activity Survey, May 2008.

⁷⁵ LSC Care to Learn Regional Data Book, May 2008. Take-up is measured among teenage mothers since robust data on the number of teenage fathers with childcare responsibilities is not available.

⁷⁶ Institute for Employment Studies, 2006.



Source: LSC Corporate Reports

255 Broadly speaking, overall FE success rates are higher among young people from black and minority ethnic communities (82.0 per cent in 2006/07) than they are among white 16–18 year olds (76.9 per cent). This is largely due to a faster improvement in success rates among young people from BME backgrounds.

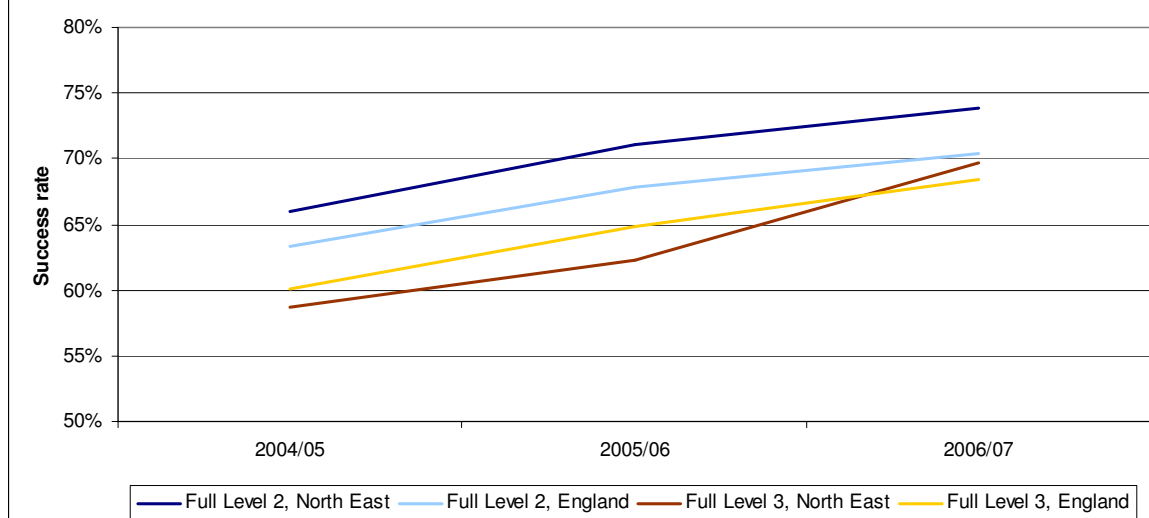
These overall figures hide varying success rates among young people from different black and minority ethnic communities. Success rates among young people with Bangladeshi or Pakistani backgrounds, for example, are lower than those among young people with Indian or other Asian backgrounds.

256 Overall FE success rates among 16–18 year olds with learning difficulties and/or disabilities (77.9 per cent) are not significantly different from success rates among those without.

257 Overall FE success rates among young learners have shown significant improvement in County Durham, and are above average in the sub-region (79.5 per cent). Success rates have shown less improvement in other areas, though they are also above average in Tees Valley (78.8 per cent).

Overall FE success rates among 16–18 year olds are below average in Tyne and Wear (75.1 per cent). In Northumberland, success rates fell by 1 percentage point between 2005/06 and 2006/07, and are well below average (71.5 per cent).

Figure 12: Full Level 2 and full Level 3 FE success rates among 16-18 year olds, North East and England, 2004/05-2006/07



Source: LSC Corporate Reports

258 FE success rates among young people on full Level 2 programmes remain higher in the North East (73.9 per cent in 2006/07) than in England (70.4 per cent), and are improving at a similar rate to the national average.

FE success rates among 16–18 year olds on full Level 3 programmes (69.7 per cent in 2006/07) are below those among young learners on full Level 2 programmes, though the gap is closing.

259 FE success rates among young men on full Level 2 programmes have improved more quickly than among young women, but remain slightly lower than among their female counterparts (73.5 per cent, compared with 74.5 per cent among young women).

260 Full Level 2 FE success rates among young learners from black and minority ethnic communities have improved more quickly than those among young learners from white backgrounds. Success rates among young learners from BME communities on full Level 2 programmes (83.4 per cent) are significantly higher than among their white counterparts (73.6 per cent).

Full Level 2 FE success rates are lower among young learners from Black or Black British backgrounds than among young learners from other BME communities.

261 Full Level 2 FE success rates among young learners with learning difficulties and/or disabilities have improved at a slightly faster rate than among young learners without, and are now higher (75.8 per cent) than success rates among young learners without learning difficulties or disabilities (73.7 per cent).

262 Full Level 2 FE success rates among 16–18 year olds are improving across the region, most significantly in Northumberland. Success rates in the county are now above average (75.2 per cent). Full Level 2 FE success rates have

seen less improvement in County Durham, but remain higher here (77.7 per cent) than in other parts of the North East.

Tyne and Wear and Tees Valley have seen the smallest improvements in full Level 2 FE success rates among 16–18 year olds. Success rates in Tyne and Wear (73.5 per cent) are in line with the average across the North East, while in Tees Valley they are slightly below the regional average (72.8 per cent). Although they are the weakest in the region, full Level 2 FE success rates among young learners in Tees Valley remain above the national average.

- 263 FE success rates among 16–18 year olds on full Level 3 programmes have improved more quickly than the national average, and are now higher in the North East (69.7 per cent) than in England (68.5 per cent).
- 264 FE success rates among young men on full Level 3 programmes have also improved more quickly than among young women, but remain lower (68.5 per cent) than those among their female counterparts (70.7 per cent).
- 265 Full Level 3 FE success rates among young learners from black and minority ethnic communities have improved at a similar rate to those among young learners from white backgrounds. As at Level 2, success rates among 16–18 year old learners from BME communities on full Level 3 programmes (80.2 per cent) are significantly higher than those among their white counterparts (69.4 per cent).

Full Level 3 FE success rates among young learners from Black or Black British backgrounds are significantly lower than those among young learners from other BME communities.

- 266 Full Level 3 FE success rates among young learners with learning difficulties and/or disabilities have improved at a slightly faster rate than among young learners without. Success rates among learners with learning difficulties and/or disabilities (73.3 per cent) remain higher than those among young learners without (69.4 per cent).
- 267 Full Level 3 FE success rates among 16–18 year olds have seen the most significant improvement in County Durham, where they are now well above average (75.0 per cent). Tyne and Wear saw a similar improvement between 2005/06 and 2006/07, but success rates in the sub-region (68.9 per cent) remain below the regional average – though above the national average.

Full Level 3 FE success rates among 16–18 year olds showed less improvement in Tees Valley and Northumberland. Although success rates in Tees Valley (68.3 per cent) are in line with the national average, they are below the regional average. Success rates among young learners in Northumberland (65.4 per cent) are well below average.

Apprenticeship success rates

- 268 The framework success rate among 16–18 year olds in Apprenticeships in the North East in 2006/07 was 61.4 per cent⁷⁷. This was a 3.9 percentage point increase on the previous year, a greater improvement than that seen in England (2.0 percentage points). Framework success rates in the region, however, remain slightly below the national average (62.8 per cent).

⁷⁷ A more detailed picture of Apprenticeship success rates is presented later in this report.

269 The framework success rate among 16–18 year olds in Advanced Apprenticeships in the region in 2006/07 was 60.5 per cent. This was just a 1 percentage point increase on the previous year, a smaller improvement than that seen nationally (3.4 percentage points). The slower improvement in the region means that Framework success rates among young people in Advanced Apprenticeships in the North East have fallen below the national average (61.8 per cent).

Skills for Life achievement

270 Between them, around 18,500 young people successfully completed almost 29,500 Skills for Life aims in the North East in 2006/07. 91 per cent of these learning aims were approved qualifications, compared to 69 per cent in 2005/06.

271 Around half (49 per cent) of the approved qualifications achieved were at Level 1. 43 per cent were at Level 2. The remainder (8 per cent) were at Entry Level. Early 2007/08 data suggests that this pattern of achievement continues.

272 The approved qualifications achieved by young people were almost entirely either literacy (49 per cent) or numeracy (48 per cent) qualifications, with relatively few ESOL achievements. Key Skills in Communication and Application of Number were the most commonly achieved qualifications.

273 Achievement rates among 16–18 year olds on approved Skills for Life courses have improved from 58 per cent in 2005/06 to 64 per cent in 2006/07, although achievement varies considerably between different types of provider.

274 While attainment of English and maths at Key Stage 4 is improving, there remains a considerable proportion of young people leaving school without these vital skills. We must continue to improve attainment of literacy and numeracy among young people in the region to underpin learning at Level 2 and above, as well as sustainable employment.

Young people achieving Level 2 by age 19

275 Between 2005/06 and 2006/07, the North East saw the biggest improvement of any region in attainment of Level 2 qualifications among young people – an increase of 4 percentage points between the cohorts aged 19 in each year, compared with the national average of 2 percentage points.

276 This improvement has brought Level 2 attainment by age 19 in the region close to the national average, a significant improvement from a historical position as the worst performing region in the country. 73 per cent of the North East cohort aged 19 in 2006/07 achieved a Level 2 by their 19th birthday, compared with the national average of 74 per cent⁷⁸.

277 Attainment of Level 2 qualifications by age 16 remains low in the North East. 49 per cent of the regional cohort aged 19 in 2006/07 had achieved a Level 2 by their 16th birthday, compared with the national average of 53 per cent.

⁷⁸ LSC, 2008b; LSC North East, 2008c.

Improvement in attainment by age 16 in the North East between 2005/06 and 2006/07 was greater than average – an increase of 2 percentage points in the region compared with growth of 1 percentage point across England.

278 Rising attainment at Key Stage 4 in the region suggests that the gap between the North East and England in attainment of Level 2 by age 16 will close with future cohorts⁷⁹. The region's expanding Young Apprenticeship programme will also have a positive impact on Level 2 attainment at age 16.

279 24 per cent of the North East cohort aged 19 in 2006/07 achieved a Level 2 qualification between their 16th and 19th birthdays, a higher proportion than in other regions and above the national average (21 per cent). This is also an improvement on previous years, when around 22 per cent of the cohort have achieved a Level 2 between the ages of 16 and 19.

Improving success rates in Further Education provision will help maintain this level of value-added. On the other hand, the increase in attainment of five or more GCSEs at grades A*–C in Key Stage 4, associated with continuing low levels of achievement in English and Maths among those who do not achieve a Level 2 by age 16, may make it more difficult for the level of value-added to be maintained as those without a Level 2 at age 16 become increasingly hard to reach.

280 Despite improving attainment, around 9,200 young people – more than a quarter of the regional cohort – reached their 19th birthday in 2006/07 without achieving a Level 2.

281 Young women are more likely than young men to achieve a Level 2 by their 19th birthday. 76 per cent of the region's female cohort aged 19 in 2006/07 achieved a Level 2 by the age of 19, compared with 70 per cent of young men⁸⁰.

282 Achievement of Level 2 shows considerable variation by ethnicity. Among the regional cohort aged 19 in 2006/07, attainment was particularly high among those from Chinese and Indian communities. In contrast, attainment appears low among those from Other Black (i.e. not Black African or Black Caribbean) or Mixed White and Black Caribbean backgrounds, though there are only small numbers of learners from these ethnic groups and it is difficult to draw firm conclusions.

283 Young learners with learning difficulties and/or disabilities are far less likely than those without to achieve Level 2 qualifications by the age of 19. Among the North East cohort aged 19 in 2006/07, just 40 per cent of those with learning difficulties and/or disabilities achieved a Level 2 by their 19th birthday, compared with 76 per cent of those without.

284 Young learners from disadvantaged backgrounds are less likely than average to achieve Level 2 qualifications by the age of 19. Among the cohort aged 19 in 2006/07, just 50 per cent of those who were eligible for free school meals in Year 11 achieved a Level 2 by their 19th birthday, compared with 78 per cent of those not eligible.

⁷⁹ DCSF, 2008a.

⁸⁰ DCSF/LSC Matched Administrative Dataset 2006/07. Regional analysis here is based on the weighted average of results at local authority level.

285 Level 2 attainment by age 19 varies considerably across local authorities, ranging from 62 per cent of the 2006/07 cohort in Middlesbrough to 74 per cent in Gateshead and Northumberland. We must address this variation while continuing to increase attainment of young people at Level 2 and at higher levels.

Young people achieving Level 3 by age 19

286 Attainment of Level 3 qualifications by age 19 is lower in the North East than in any other region. 42 per cent of the regional cohort aged 19 in 2006/07 achieved a Level 3 by their 19th birthday, compared with the national average of 48 per cent⁸¹.

287 Young women are more likely than young men to achieve a Level 2 qualification by the age of 19. Some 47 per cent of the region's female cohort aged 19 in 2006/07 achieved a Level 3 by their 19th birthday, compared with 39 per cent of young men⁸².

288 As at Level 2, achievement of Level 3 qualifications by age 19 shows considerable variation by ethnicity. Among the North East cohort aged 19 in 2006/07, attainment was particularly high among those from Chinese and Indian communities. In contrast, attainment appears particularly low among those from Other Black (i.e. not Black African or Black Caribbean) or Mixed White and Black Caribbean backgrounds, though the small numbers of learners in these ethnic groups makes it difficult to draw firm conclusions.

289 Young learners with learning difficulties and/or disabilities are significantly less likely than those without to achieve Level 3 qualifications by the age of 19. Among the North East cohort aged 19 in 2006/07, just 14 per cent of those with learning difficulties and/or disabilities achieved a Level 3 by their 19th birthday, compared with 44 per cent of those without learning difficulties or disabilities.

290 Young learners from disadvantaged backgrounds are significantly less likely than average to achieve Level 3 qualifications by the age of 19. Among the regional cohort aged 19 in 2006/07, only 19 per cent of those who were eligible for free school meals in Year 11 achieved a Level 3 by their 19th birthday, compared with 48 per cent of those not eligible.

291 Level 3 attainment by age 19 also varies across local authorities, from 34 per cent in Middlesbrough to 45 per cent in Northumberland.

292 Attainment of Level 3 qualifications by age 19 is improving cohort by cohort. Encouragingly, recent improvements in the region have outstripped those seen nationally. Between 2005/06 and 2006/07, attainment of Level 3 by age 19 increased by 2 percentage points in the North East compared with growth of 1 percentage point across England.

293 In part, the low levels of attainment at Level 3 by age 19 in the North East have reflected the need for many young people to 'catch up' and achieve a Level 2 qualification after leaving school. Improving attainment at Level 2

⁸¹ LSC, 2008b; LSC North East, 2008c.

⁸² DCSF/LSC Matched Administrative Dataset 2006/07. Regional analysis here is based on the weighted average of analysis at local authority level.

might therefore be expected to lead to increased progression and achievement at Level 3.

- 294 However, the relatively low level of attainment at Level 3 also reflects employer demand. The region's labour market needs mean that young people leaving school with a Level 2 qualification often undertake a second Level 2 in a vocational area rather than progressing to a Level 3. Some learners are also required to achieve a vocational Level 2 qualification in a particular sector before they can progress to Level 3, which they may go on to achieve after the age of 19.

Progress towards targets: Level 2 attainment by age 19

- 295 The Government set a PSA target in the 2004 Comprehensive Spending Review to increase the proportion of 19 year olds who achieve at least Level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008.

The national target for 2006 was 69.3 per cent, which we exceeded by 5.1 percentage points. Based on this level of achievement, the 2008 target was revised upwards to 73.4 per cent.

- 296 Nationally, 73.9 per cent of the cohort aged 19 in 2006/07 achieved a Level 2 qualification by age 19, exceeding the 2008 target.

73.2 per cent of the national cohort aged 19 in 2007/08 have achieved a Level 2 qualification by age 18. To meet the 2008 target, a further 0.2 percentage point increase is needed in 2007/08⁸³.

- 297 In the North East, 69.1 per cent of the cohort aged 19 in 2005/06 achieved a Level 2 by age 19. This was an increase of 4.8 percentage points since 2004, well above the percentage point increase required by the 2006 target and in line with the increase seen nationally (5.0 percentage points).

71.2 per cent of the regional cohort aged 19 in 2007/08 have achieved a Level 2 qualification by age 18. The region has therefore already exceeded the 2 percentage point increase in attainment at Level 2 by age 19 required by the 2008 target.

- 298 In the 2007 Comprehensive Spending Review, the Government set a further PSA target to increase the proportion of young people achieving a Level 2 at age 19 to 82 per cent by 2011.

- 299 Nationally, the 2011 target requires an increase of 8.1 percentage points in the proportion of the cohort achieving a Level 2 by age 19 between 2006/07 and 2010/11. Historical performance suggests this increase will be achieved.

- 300 An equivalent percentage point increase requires 81.3 per cent of young people in the North East to achieve a Level 2 by age 19 in 2010/11. Historical performance also suggests that this increase will be achieved.

- 301 The Government set a target in the LSC Grant Letter 2008/09⁸⁴ to reduce the inequality gap in attainment at Level 2 so that by 2010/11, 61 per cent of those in receipt of free school meals at age 16 achieve a Level 2 by age 19.

⁸³ DCSF, 2008b.

⁸⁴ DfES, 2007.

302 Nationally, an estimated 49 per cent of the cohort aged 19 in 2006/07 who were eligible for free school meals in Year 11 achieved a Level 2 qualification by their 19th birthday (some 20 percentage points lower than attainment among those not eligible for free school meals).

The target requires the proportion of the national cohort who are eligible for free school meals in Year 11 and achieve a Level 2 by age 19 to increase by 12 percentage points between 2006/07 and 2010/11.

303 The inequality gap in attainment at age 19 between young people eligible for free school meals in Year 11 and those not eligible is wider in the North East (28 percentage points) than in England.

304 An equivalent percentage point increase to the national target requires 62 per cent of the North East cohort aged 19 in 2010/11 and eligible for free school meals in Year 11 to achieve a Level 2 qualification by their 19th birthday.

The limited improvement in attainment among those eligible for free school meals in each cohort – 1.1 percentage points between 2005/06 and 2006/07 – suggests this may be difficult to achieve.

Progress towards targets: Level 3 attainment by age 19

305 The Government did not set a specific PSA target for Level 3 attainment by young people in the 2004 Comprehensive Spending Review, but required an increase in the proportion of 19 year olds achieving at this level.

306 Nationally, the proportion of young people in each cohort who achieved Level 3 qualifications by age 19 increased by 6.0 percentage points between 2003/04 and 2006/07. The same percentage point increase was achieved in the North East.

307 The Government set a PSA target in the 2007 Comprehensive Spending Review to increase the proportion of young people achieving Level 3 at age 19 to 54 per cent by 2011.

308 Nationally, the target requires a 6.0 percentage point increase in the proportion of young people achieving a Level 3 by age 19 between 2006/07 and 2010/11. Historical performance suggests this target is likely to be achieved.

309 An equivalent percentage point increase requires 47.6 per cent of young people in the North East to achieve a Level 3 by age 19 in 2010/11. Historical performance also suggests that this increase will be achieved.

310 The Government set a related PSA target in the LSC Grant Letter 2008/09⁸⁵ to reduce the inequality gap in attainment at Level 3 so that by 2010/11, 29 per cent of those in receipt of free school meals at age 16 achieve a Level 3 by age 19.

311 Nationally, an estimated 22 per cent of the cohort aged 19 in 2006/07 who were eligible for free school meals in Year 11 achieved a Level 3 qualification by their 19th birthday (some 24 percentage points lower than attainment among those not eligible for free school meals).

⁸⁵ DfES, 2007.

The target requires the proportion of the national cohort who are eligible for free school meals in Year 11 and achieve a Level 3 by age 19 to increase by 7 percentage points between 2006/07 and 2010/11.

312 The inequality gap in attainment at age 19 between young people eligible for free school meals in Year 11 and those not eligible is wider in the North East (29 percentage points) than in England.

313 An equivalent percentage point increase to the national target requires 26 per cent of the North East cohort aged 19 in 2010/11 and eligible for free school meals in Year 11 to achieve a Level 3 qualification by their 19th birthday.

The limited improvement in attainment among those eligible for free school meals in each cohort – just 0.1 percentage points per year between 2004/05 and 2006/07 – suggests this may be difficult to achieve.

Adults

Participation in learning

- 314 Overall rates of participation in learning among adults aged 16–69 year olds in the North East are in line with the national average. 69 per cent of adults in the region took part in some form of learning in 2006, compared with 68 per cent in England⁸⁶.
- 315 Participation in taught learning among adults in the North East is above average. 49 per cent of adults in the region took part in taught learning in 2006, compared with 47 per cent in England⁸⁷.
- 316 Between 2005 and 2006, the North East was the only region in England to see a rise in participation rates among adults. Surveys conducted by the National Institute for Continuing Adult Education (NIACE) suggest that nationally, adult participation in learning has fallen over the last two years. The surveys also suggest that the number of adults planning to take up learning in the future is falling. The drop in participation has been disproportionate in some groups, notably skilled manual workers and those in full-time employment. An increase in participation among older adults is apparent, though participation rates among older adults remain significantly lower than among other age groups⁸⁸.
- 317 Research from DIUS shows that attitudes towards learning vary across different groups of adults. In particular, adults who are well qualified tend to be the most positive about learning, though they can face significant time barriers due to family or work commitments. Some are particularly motivated by qualifications, but are less likely to show interest in unaccredited courses. Older adults, those on low incomes, and those with low or no qualifications tend to have negative attitudes towards learning. Many also have significant barriers to learning, including work and family pressures on time, but also lack of confidence, basic skills problems, lack of information on or awareness of learning opportunities, and limited financial resources⁸⁹.
- 318 Our own analysis reflects these findings. The better qualified an adult, for example, the more likely he or she is to participate in learning. In part, this reflects inequalities in opportunities to access learning, and job-related

⁸⁶ DIUS, 2008a.

⁸⁷ Taught learning includes taught courses that were meant to lead to a qualification; taught courses designed to help develop skills used in a job; courses; instruction or tuition in driving, playing a musical instrument, art or craft, sport or any practical skill, evening classes; learning involving an individual working on their own from a package of materials provided by an employer, college, commercial organisation or other training provider; other taught course, instruction or tuition. Other (non-taught) learning includes studying for qualifications without taking part in a taught course; supervised training while doing a job; time spent keeping up-to-date with developments in one's work or profession e.g. by reading books or attending seminars; deliberately trying to improve one's knowledge about anything or teach oneself a skill without taking part in a taught course.

⁸⁸ NIACE, 2007; NIACE, 2008.

⁸⁹ DIUS, 2008b.

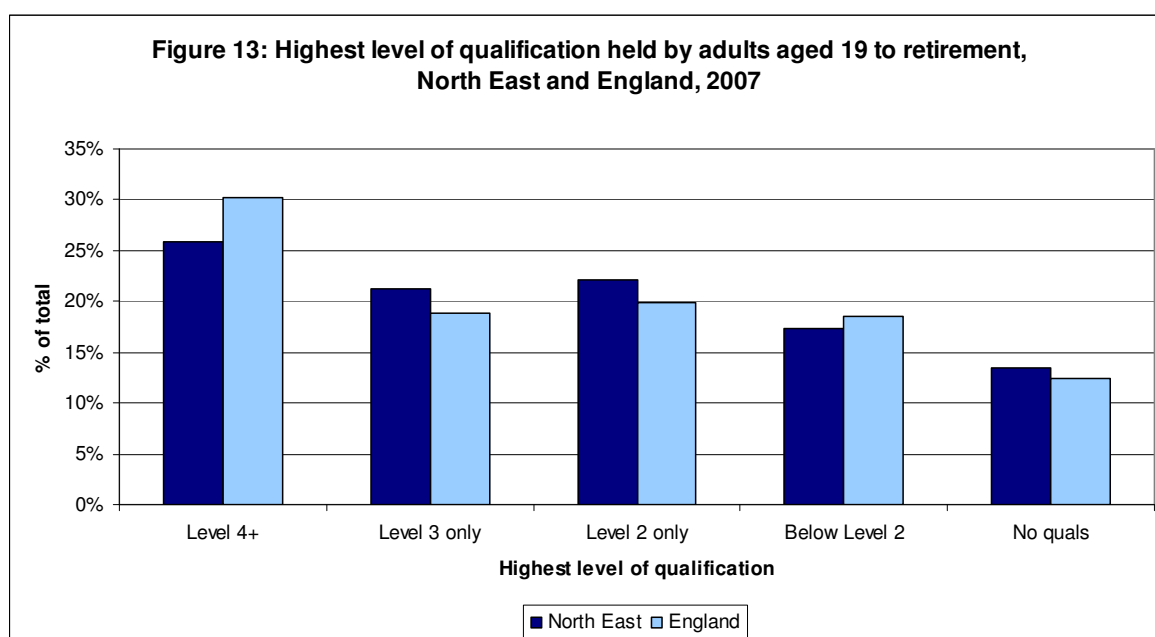
training in particular. But more highly qualified adults are also more likely to take up training if it is offered than adults who are less well qualified⁹⁰.

Our analysis shows that disadvantaged adults – including those living in deprived areas, those without qualifications at Level 2 or above, those with basic skills difficulties, older adults, the unemployed, Incapacity Benefit claimants, lone parents, etc. – are least likely to participate in learning⁹¹.

Qualification levels among adults

Qualification levels among adults aged 19 to retirement

319 Fewer adults aged 19 to retirement in the North East are qualified to Level 4 or above than in England. In contrast, higher than average proportions of adults in the region are qualified to Level 3 but no higher, or to Level 2 but no higher⁹².



Source: DIUS Qualifications at a local level for adults: England 2007

320 An estimated 453,000 adults aged 19 to retirement – 31 per cent of the region’s adult population – are not qualified to Level 2.

321 A further 327,000 adults in the region are qualified to Level 2, but not Level 3⁹³. We estimate that this includes around 40,000 adults aged 19–25 years old, who are eligible for free tuition towards a first full Level 3 qualification.

⁹⁰ LSC North East, 2008f.

⁹¹ See the various papers published as part of our Regional Strategic Analysis (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).

⁹² DIUS, 2008a.

⁹³ DIUS, 2008a.

322 Our analysis⁹⁴ identifies a number of inequalities in qualification levels among adults in the region, which reflect those seen nationally:

- Women are less likely to be qualified to Level 2 or above than men.
- The older an adult, the less likely he or she is to be qualified to Level 2 or Level 3. Older adults are significantly less likely to have any formal qualifications than younger adults.
- Generally speaking, adults from black and minority ethnic communities are slightly less likely to have qualifications at Level 2 than white adults, though they are more likely to be qualified to Level 4 or above. Data is not available to show variations in qualification levels between different BME groups.
- Adults with disabilities are less likely to be qualified to Level 2 or above than those without. In particular, they are less likely to have qualifications at Level 3 or Level 4. They are more likely to have no formal qualifications at all.

323 Adults in Northumberland are more likely to have qualifications at Level 2 or above than those in other sub-regions. Adults in Northumberland are also more likely to be qualified to Level 3 or above than those in other areas.

324 Research looking at the characteristics of adults who return to learning to achieve a first Level 2⁹⁵ found that individuals who had not achieved at this level by age 23 but went on to do so were more likely than those who did not to have been engaged in a range of learning activities at earlier ages, including learning during childhood, staying in education during adolescence and undertaking courses leading and not leading to qualifications during adulthood. Early school attainment is reported to have the greatest impact on achievement of first Level 2 qualifications among adults who have not achieved at that level by age 23.

325 The research found that a disadvantaged childhood (indicated by receiving free school meals at age 11 or 16) meant that adults were less likely to achieve a Level 2. Having one or more parents who continued in learning beyond compulsory education, meanwhile, meant that adults were more likely to achieve a Level 2, even if they had not done so by age 23.

Adults who were in employment were more likely to achieve a first Level 2 qualification than those who were not in work. Adults with poor basic skills were less likely to achieve at Level 2. Adults who improved their basic skills, however, increased their chances of achieving at this level.

326 The research suggests that improving adult attainment at Level 2 means addressing attitudinal barriers to learning, as well as removing economic and social constraints. In particular, there is a need to focus on learners' needs and motivations, and to ensure that learning is attractive to adults who have disengaged from learning or whose previous experiences of learning have not been positive, in order to avoid an increasing marginalisation of disadvantaged groups. Interventions that focus solely on removing economic and social constraints, such as cost, are likely to have only a limited impact.

⁹⁴ LSC North East, 2008f.

⁹⁵ R Sabates et al, 2007.

Participation in LSC-funded learning

327 The number of adults in LSC-funded learning in the North East fell by 18 per cent between 2005/06 and 2006/07, in line with a fall of 20 per cent in England. This reduction is closely linked to the shift in LSC funding towards priority full Level 2 and full Level 3 provision.

Participation by funding stream

328 The analysis presented here reflects old funding streams, as our learner data does not yet reflect the new Demand Led Funding models. From 2008/09, mainstream provision for adult learners will be funded from the Adult Learner Responsive and the Employer Responsive budgets.

- The Adult Learner Responsive budget will fund some provision previously funded from FE budgets.
- The Employer Responsive budget will fund Apprenticeships, NVQs previously delivered in the workplace through FE funding, and provision delivered through Train to Gain Type B and Type C funding.

Table 4: Adults aged 19 and over in LSC-funded provision by funding stream, North East, 2005/06–2007/08

Funding stream	2005/06	2006/07	2007/08 year to date
Further Education	166,751	120,718	65,095
Work Based Learning	4,820	4,376	4,339
Entry to Employment (starts)	13	16	14
Adult and Community Learning	38,290	39,933	34,137
Employer Training Pilot / Train to Gain	11,636	15,958	7,783
School Sixth Forms	0	0	30
All funding streams	221,510	181,001	111,398

Source: LSC Corporate Reports

329 Trends in adult learner numbers in the North East between 2005/06 and 2006/07 vary from those seen nationally, though to differing extents in different historical funding streams:

- The number of adults in FE provision in the region fell by 28 per cent, in line with the fall of 27 per cent seen nationally.
- The number of adults in WBL provision in the North East fell by 9 per cent, slightly more than the fall of 7 per cent seen in England.
- The number of adults in Employer Training Pilot / Train to Gain provision in the region rose by 37 per cent, well below the growth of 70 per cent seen in England. This reflects our early involvement in the Employer Training Pilot, and our successes in engaging employers and learners in the pilot.
- The number of adults in Adult and Community Learning (ACL) provision in the region rose by 4 per cent, while falling by 3 per cent nationally⁹⁶.

⁹⁶ Data relating specifically to Adult Safeguarded Learning is not available.

- 330 As is the case with young people, trends in adult learner numbers vary across the region. Between 2005/06 and 2006/07, adult learner numbers fell by 25 per cent in both County Durham and Northumberland, and by 29 per cent in Tees Valley (partly because learners at Darlington College's centre at Catterick are not included in the data), but by only 9 per cent in Tyne and Wear (partly because of the move to regional contracting in Train to Gain, with all contracts – and therefore learners – allocated to Tyne and Wear).
- The number of adult learners in FE provision fell in all areas. Tyne and Wear saw the smallest fall (25 per cent), and Tees Valley the largest (33 per cent).
 - The number of adult learners in WBL also fell in all areas, though there was much greater variance in the size of the falls. County Durham and Tyne and Wear saw the smallest falls (1 per cent and 3 per cent respectively). Learner numbers fell by 7 per cent in Northumberland, and by 26 per cent in Tees Valley. The decline in Tees Valley was mainly due to the refocusing of funding on priority Apprenticeship provision.
 - The number of adult learners in ACL provision fell by 1 per cent in Tees Valley and by 6 per cent in County Durham, but rose by 7 per cent in Northumberland and by 14 per cent in Tyne and Wear.
- 331 The most recent data remains incomplete for adults learning in 2007/08. In particular, it does not count adults starting (often relatively short) courses in FE after the 1 November F01 reference date. The available data records 40 per cent fewer adult learners in the North East in 2007/08 than in 2006/07⁹⁷.
- The data shows a fall of 46 per cent in the number of adults in FE, compared with a fall of 43 per cent in England.
 - The data shows a fall of 1 per cent in the number of adults in WBL, compared with an increase of 2 per cent in England. The figures are distorted by the broadening of the Apprenticeship offer to adults aged 25 and over from 2007/08.
 - The data shows a fall of 15 per cent in the number of adults in ACL provision, in line with the national picture.
 - The data shows a fall of 51 per cent in the number of adults in Train to Gain provision, compared with a fall of 37 per cent in England.
- 332 According to this data, adult learner numbers in 2007/08 were significantly lower in all areas than the number in 2006/07:
- The number of adult learners in FE was down by at least 40 per cent in all areas.
 - The number of adult learners in Work Based Learning was around 6 per cent lower in Northumberland and Tyne and Wear, but 6 per cent higher in Tees Valley and 8 per cent higher in County Durham. The increases in the south of the region result from providers using contracting flexibilities to increase learner numbers in response to employer demand. The

⁹⁷ Data released just prior to publication, counting individuals in learning in FE throughout 2007/08, shows a 7 per cent fall in the number of adults in LSC-funded learning in the North East between 2006/07 and 2007/08. This data shows a 7 per cent fall in the number of adult learners in FE, alongside growth of 22 per cent in Work Based Learning and 14 per cent in Train to Gain. Full data for 2007/08, including achievements, will be available in April 2009.

broadening of the Apprenticeship offer to adults aged 25 and over is also contributing to increases.

Full Level 2 and Level 3

333 Despite a fall in total learner numbers between 2005/06 and 2006/07, the number of adult learners undertaking full Level 2 programmes in the North East rose by 18 per cent over this period. This was not as significant as the increase seen in England (26 per cent).

The number of adult learners undertaking full Level 3 programmes in the region rose by 13 per cent between 2005/06 and 2006/07. This was a more significant increase than that seen nationally (3 per cent).

334 This shift towards full Level 2 and full Level 3 provision appears to be continuing. Although the latest available data suggests a large fall in total adult learner numbers, the fall in the number undertaking full Level 2 programmes is not as significant (though it is a larger fall than that seen in England).

Similarly, the data suggests a much less significant fall in the number of adults undertaking full Level 3 programmes in the North East.

335 The latest available data suggests that 25 per cent of adults aged 19 and over in LSC-funded learning in the North East in 2007/08 were undertaking full Level 2 programmes, a slightly higher proportion than in England (22 per cent).

The data suggests that 16 per cent of adult learners in the North East were undertaking full Level 3 programmes. Again, this is slightly higher than the proportion in England (14 per cent).

First Level 2 qualifications

336 The available evidence suggests that adults in full Level 2 and Level 3 FE and WBL provision in the North East are more likely to be undertaking a first full Level 2 than the national average⁹⁸.

337 An increased focus on 'firstness' is evident in the region. The *number* of adults undertaking first full Level 2 qualifications in FE provision in the North East is increasing. The *proportion* of adults in full Level 2 and Level 3 FE provision who are undertaking their first full Level 2 is also increasing.

338 Increases in the region are not as significant as those in England, where the degree of firstness in FE provision has historically been lower than in the North East.

Participation by gender

339 The latest available data shows that 58 per cent of adult learners in LSC-funded learning in the North East in 2007/08 were female, and 42 per cent were male.

340 There were more women than men in FE and WBL provision. Conversely, there were more men than women in Train to Gain provision.

⁹⁸ LSC North East, 2008a.

341 Men were more likely than women to undertake full Level 2 programmes. A third (32 per cent) of men aged 19 and over who participated in LSC-funded learning in 2007/08 were undertaking full Level 2 programmes, compared with fewer than one in five women (19 per cent).

In contrast, women were slightly more likely to undertake full Level 3 programmes than men. Some 17 per cent of women in LSC-funded learning in the region in 2007/08 were on full Level 3 programmes, compared with 15 per cent of men.

Participation by age

342 Learner numbers are falling faster among older adults than among their young counterparts. Between 2005/06 and 2006/07, the number of adults aged 50 and over in FE provision in the North East fell by 40 per cent, compared with a decline of 23 per cent among adults aged 19–49 years old. The latest available data suggests this trend is continuing in 2007/08.

343 Similarly, the number of adults aged 50 and over in ACL provision fell by 1 per cent between 2005/06 and 2006/07, compared with an overall increase in learner numbers of 4 per cent across all age groups.

Participation by ethnicity

344 The latest available data suggests that almost 7 per cent of adults in LSC-funded learning in the North East in 2007/08 were from black and minority ethnic communities, well above the proportion of the population as a whole. In addition, the ethnicity of 3 per cent of adult learners was not known.

345 Adults from BME communities are slightly over-represented in FE, where they account for a little more than 7 per cent of adult learners. In contrast, adults from BME communities are significantly under-represented in WBL and Train to Gain provision.

346 Adults from black and minority ethnic communities were less likely to undertake full Level 2 programmes than white adults. Adults from Asian backgrounds were slightly more likely to undertake full Level 2 programmes than adults from other BME communities.

Adult learners from mixed heritage backgrounds were most likely to undertake full Level 3 programmes. Adults from other BME communities were less likely to do so than white adults.

Adult learners from Chinese and Other ethnic backgrounds were significantly less likely to undertake full Level 2 or full Level 3 programmes than those from other ethnic groups.

Learners with learning difficulties and/or disabilities

347 The most recent data suggests that 10 per cent of adults aged 19 and over in LSC-funded learning in the North East in 2007/08 considered themselves to have a learning difficulty and/or disability.

348 FE attracts by far the largest number of adult learners with learning difficulties and/or disabilities, and participation in FE among adults with learning difficulties and/or disabilities is rising. Among 19–24 year olds, the number of learners with dyslexia has increased but there has been a reduction in the number of learners with moderate learning difficulties, hearing impairments,

other medical conditions and mental ill health. There have been fluctuations in the numbers of learners with visual impairment, disability affecting mobility, severe learning difficulty and emotional and behavioural difficulties.

- 349 There has been a slight increase in the numbers of 19–24 year olds with learning difficulties and/or disabilities in Apprenticeships. Despite this, there has been a reduction in the number of learners with moderate learning difficulties, ‘other medical conditions’ and dyslexia.
- 350 Adults with learning difficulties and/or disabilities are slightly over-represented in FE, where they account for 11 per cent of all adult learners. In contrast, they are under-represented in Work Based Learning, where they account for 8 per cent of all adult learners, and especially in Train to Gain provision, where they account for less than 3 per cent of all adult learners. The low proportion of Train to Gain learners with learning difficulties and/or disabilities reflects employment rates among disabled adults.
- 351 Adults with learning difficulties and/or disabilities were significantly less likely than average to undertake full Level 2 programmes. 15 per cent of adults with learning difficulties and/or disabilities who were in LSC-funded learning in the region in 2007/08 were undertaking full Level 2 programmes, compared with 27 per cent of those without.

Similarly, adults with learning difficulties and/or disabilities were less likely than average to undertake full Level 3 programmes. Just 11 per cent of adult learners with learning difficulties and/or disabilities who were in LSC-funded learning in the North East in 2007/08 were undertaking a full Level 3, compared with 18 per cent of those without.

Travel to learn

- 352 The North East is a net importer of adult learners. The number of learners aged 19 and over who live outside the North East but travel into the region to learn is higher than the number living in the North East but travelling out of the region to learn. Outward flows from the region are mainly into FE⁹⁹.
- 353 Within the region, there are significant learner flows across local authority boundaries. Travel to learn patterns are influenced by many factors, including the availability and convenience of transport as well as the provision offered and learner preferences. Travel to learn patterns may also reflect the locations where learners work – which may differ from the places where they live.
- 354 In 2006/07, 62 per cent of adult learners living in Northumberland learn within the county. Outward flows to Newcastle are significant, accounting for 19 per cent of adult learners living in Northumberland while a large number of adult learners also travel to North Tyneside.

The most significant inward flows to Northumberland are seen among adult learners living in North Tyneside. Smaller numbers of adult learners travel into Northumberland from Newcastle and Gateshead.

⁹⁹ LSC Individualised Learner Record 2006/07, Post-16 Learning Aims Management System 2006/07.

- 355 47 per cent of learners aged 19 and over living in Gateshead learn in the district, the smallest proportion of any local authority in the region. Outward flows to Newcastle are particularly significant, accounting for 25 per cent of adult learners living in Gateshead. Smaller numbers travel to learn in North Tyneside, County Durham, South Tyneside and Sunderland.

The most significant inward flows to Gateshead are among adult learners living in County Durham, Sunderland and Newcastle. Smaller numbers of adult learners travel to learn in Gateshead from South Tyneside, North Tyneside and Northumberland.

- 356 77 per cent of adult learners living in Newcastle learn within the city. The most significant outward flows are into North Tyneside, and to a lesser extent into Gateshead. Smaller numbers of adult learners travel to Northumberland, South Tyneside, Sunderland and County Durham.

Inward flows into Newcastle among adult learners are significant, with large numbers of learners travelling from Northumberland, North Tyneside and Gateshead, and from outside the region. Substantial numbers of adults also travel to learn in Newcastle from Sunderland, County Durham and South Tyneside. Inward flows to Newcastle among adult learners are predominantly into FE.

- 357 58 per cent of learners aged 19 and over living in North Tyneside learn within the district. Outward flows to Newcastle are significant, accounting for 25 per cent of adult learners living in North Tyneside. Smaller numbers travel to learn in Northumberland, Gateshead, South Tyneside and Sunderland.

The most significant inward flows to North Tyneside are seen among adult learners living in Northumberland and Newcastle and to a lesser extent, Gateshead. Smaller numbers of adult travel to learn in North Tyneside from South Tyneside, Sunderland and County Durham.

- 358 63 per cent of adult learners living in South Tyneside learn within the district. Outward flows to Sunderland and Newcastle are most significant, each accounting for around 10 per cent of adult learners resident in South Tyneside. Smaller numbers of adult learners travel from South Tyneside to Gateshead, North Tyneside and County Durham. Outward flows to Sunderland are predominantly into FE.

Inward flows to South Tyneside are less significant, though a number of adult learners travel into the district from surrounding local authorities. There is also a considerable movement of learners into South Tyneside from outside the region, most likely into specialist marine provision in FE.

- 359 59 per cent of learners aged 19 and over resident in Sunderland learn in the city. Outward flows to County Durham, Newcastle and Gateshead are most significant, with smaller numbers of adults travelling to learn in North Tyneside and South Tyneside. Outward flows to County Durham are mainly into FE.

The most significant inward flows to Sunderland are seen among adult learners living in County Durham and South Tyneside. Smaller numbers of adult learners travel into Sunderland from other districts in the north of the

region in particular. A significant number of adult learners also travel into Sunderland from outside the region.

- 360 76 per cent of adult learners living in County Durham learn in the county. Outward flows to Sunderland, Newcastle, Gateshead and to a lesser extent Darlington are most significant, with smaller numbers of adults who live in County Durham travelling to learn in Stockton-on-Tees, Hartlepool, Northumberland and Middlesbrough. Outward flows into Sunderland are mainly into FE.

Inward flows to County Durham are most significant among adult learners living in Sunderland, with substantial numbers of adults also travelling to learn in the county from Darlington, Gateshead and Stockton-on-Tees. Smaller numbers of adult learners travel into County Durham from Middlesbrough, South Tyneside, Redcar and Cleveland, Northumberland and Newcastle, and from outside the region. Inward flows to County Durham are mainly into FE.

- 361 60 per cent of learners aged 19 and over resident in Darlington learn within the district. The most significant outward flows are seen among adults travelling to learn in County Durham, accounting for 18 per cent of adult learners living in Darlington. Outward flows to County Durham are mainly into FE. Smaller numbers travel to learn in Stockton-on-Tees and Middlesbrough.

Inward flows to Darlington are most significant among adult learners living in County Durham, and from those living in North Yorkshire. Inward flows from North Yorkshire are largely attributable to the Darlington College centre based in Catterick, and therefore actually reflect learning in North Yorkshire.

- 362 61 per cent of adult learners living in Hartlepool learn within the district. The most significant outward flows are among adults who travel to learn in Stockton-on-Tees, County Durham and Middlesbrough. Outward flows to County Durham in particular were mainly into FE.

Relatively few adult learners travel into Hartlepool from other parts of the region. Small numbers travel to learn in the district from Stockton-on-Tees, County Durham, Middlesbrough and Redcar and Cleveland.

- 363 60 per cent of learners aged 19 and over resident in Middlesbrough learn within the district. Outward flows to Stockton-on-Tees are most significant, with smaller numbers of adults travelling to learn in Redcar and Cleveland and County Durham. Outward flows to Stockton-on-Tees were predominantly into FE.

The most significant inward flows to Middlesbrough are seen among adult learners living in Stockton-on-Tees and Redcar and Cleveland. Smaller numbers of adults also travel to learn in the district from Hartlepool and from outside the region. Inward flows to Middlesbrough were mainly in FE.

- 364 56 per cent of adult learners living in Redcar and Cleveland learn within the district. The most significant outward flows are among adults who travel to learn in Middlesbrough, accounting for 21 per cent of adult learners resident in Redcar and Cleveland. A smaller but still substantial number of adults travel from Redcar and Cleveland to learn in Stockton-on-Tees.

Inward flows to Redcar and Cleveland among adult learners are relatively small. Some adult learners travel into the district from Middlesbrough and Stockton-on-Tees, and from outside the region.

- 365 56 per cent of learners aged 19 and over resident in Stockton-on-Tees learn within the district. Outward flows are most significant among adults who travel to learn in Middlesbrough, accounting for 19 per cent of adult learners living in Stockton-on-Tees. Smaller numbers of adult learners travel to County Durham and Hartlepool.

Inward flows to Stockton-on-Tees are most significant among adult learners living in Middlesbrough. Smaller numbers of adults travel to learn in Stockton-on-Tees from other districts in the south of the region, and from outside the North East.

Skills for Life

- 366 The latest available data suggests that many adults in the North East lack the Skills for Life needed to progress in learning and work. In 2003, 22 per cent of working age adults in the region had literacy skills below Level 1, and 28 per cent had numeracy skills below Entry Level 3¹⁰⁰.
- 367 This data is, of course, several years out of date – since the Skills for Life Survey was conducted in 2003, significant numbers of learners have achieved Skills for Life qualifications in the North East.
- 368 Skills for Life provision is delivered through a range of provider types and through a range of funding streams, although in 2006/07 most adults in Skills for Life provision (68 per cent) were funded through FE. A smaller proportion (18 per cent) was funded through WBL, and the remainder through European Social Fund (ESF) provision, ACL and Train to Gain.
- 369 More than 37,200 adults participated in LSC-funded Skills for Life programmes in the North East in 2006/07, compared to around 45,200 the year before. The fall in participation has been in non-approved programmes, with a small increase in participation in approved programmes. This shift in provision in response to policy direction resulted in 80 per cent of adult learners in Skills for Life provision participating in approved programmes in 2006/07, compared with 56 per cent in 2005/06. Early 2007/08 data suggests a further fall in non-approved provision – largely a reflection of funding changes introduced that year.
- 370 Adults took up over 60,700 Skills for Life learning aims in 2006/07. 76 per cent of these aims were approved courses, compared to 46 per cent in 2005/06.
- 371 Of the approved aims taken up by adults, 42 per cent were at Level 2. 38 per cent were at Level 1, and 21 per cent were at Entry Level.
- 372 45 per cent of the approved aims taken up by adult learners were literacy courses. 40 per cent were numeracy courses and 12 per cent were ESOL. The rest were not assigned a Skills for Life category.

¹⁰⁰ DfES Skills for Life Survey 2003. The Leitch Review of Skills considered functional basic to include literacy at Level 1 or above, and numeracy at Entry Level 3 or above.

373 The available data suggests that these patterns of take-up continued in 2007/08, but we do not yet have the full picture. A number of changes to Skills for Life funding were introduced in 2007/08 which may impact on patterns of provision. We will continue to monitor 2007/08 data as it becomes available.

Adult Safeguarded Learning

374 Adult Safeguarded Learning (ASL) provides learning for personal fulfilment, civic participation and community development. It includes a wide range of courses for cultural, leisure, community and personal fulfilment purposes, offered by local authorities, colleges and voluntary and community groups. ASL also aims to foster family learning and family literacy and numeracy, and to encourage more learners from deprived communities to engage in learning. It includes provision previously funded as Adult and Community Learning.

375 Adult Safeguarded Learning has four main programme elements:

- Family Literacy, Language and Numeracy (FLLN)
- Wider Family Learning (WFL)
- Neighbourhood Learning in Deprived Communities (NLDC), and
- Personal and Community Development Learning (PCDL).

376 Family programmes aim to encourage family members to learn together, as or within a family¹⁰¹. They are often successful in engaging adults who would not normally participate in learning.

- Family Literacy, Language and Numeracy programmes are designed for those with Skills for Life needs, and contribute to LSC priorities and PSA targets.
- Wider Family Learning is designed to enable adults and children to learn together and/or to enable parents and carers to learn how to support their children's learning.

377 Additional funding has been granted to enhance and expand existing provision within family programmes. This impact funding is intended to increase the number of learners in the system, and each provider receiving the funding is expected to deliver to more learners. This additional funding will ensure that provision contributes to the Government priorities described in the Children's Plan¹⁰², the Skills for Life Strategy and the ambitions of the Leitch Review of Skills, as well as the Cabinet Office's Families at Risk initiative and cross-government initiatives including tackling problems associated with guns, gangs and knives.

378 Neighbourhood Learning in Deprived Communities aims to support local Voluntary and Community Sector (VCS) organisations in developing their capacity to deliver learning opportunities for people living in disadvantaged neighbourhoods. NLDC offers pre-employment support and training for adults, encourages innovative and accessible First Steps learning in local

¹⁰¹ The term 'family' may be loosely interpreted to include any adults and children participating together.

¹⁰² DCSF, 2007b.

communities, and provides training or retraining for local people to develop roles in community leadership or as 'community champions'.

- 379 NLDC contributes to Skills for Jobs priorities by targeting low skilled adults aged 19 and over, who are not currently in employment but who want to work. Up to 70 per cent of NLDC funding may be focused on Skills for Jobs activity within the target group. The priority is to meet the needs of local disadvantaged communities, and the needs of individuals facing specific barriers and significant disadvantages including disability, being from an ethnic minority, being over 50 years old, and being a lone parent.
- 380 Personal and Community Development Learning includes learning for personal development, cultural enrichment, intellectual or creative stimulation and for enjoyment. Provision is planned by local PCDL partnerships convened by the LSC, taking account of a wide range of recreational, health-related and cultural learning funded through other sources.
- 381 The ongoing reform of PCDL, which commenced in 2006, aims to reinvigorate the availability, range and quality of this provision. The policy reforms also aim to widen participation in PCDL by all adults, regardless of their prior educational achievement, and to ensure that adults living in deprived areas do not lose out. Within the overarching principle of general access to PCDL provision, one of the aims is to focus on supporting disadvantaged learners.

Participation in Adult Safeguarded Learning

- 382 Data specifically relating to Adult Safeguarded Learning is not available, and the analysis here is based on our Adult and Community Learning data collection. ACL data encompasses Adult Safeguarded Learning provision delivered by local authorities, though this accounts for only around 70 per cent of enrolments recorded in ACL.
- Some Adult Safeguarded Learning (around 13 per cent of enrolments in ASL provision in 2006/07) is delivered by FE providers. This is not counted in our Adult and Community Learning data.
- 383 Almost 40,000 adults aged 19 and over were recorded as participating in Adult and Community Learning in 2006/07. This was an increase of 4 per cent, compared with a fall in learner numbers of 2 per cent across England.
- 384 Far more women participate in ACL than men. In 2006/07, women accounted for 76 per cent of adult learners in ACL in the North East, a similar proportion to that seen nationally (77 per cent).
- 385 Some 5 per cent of adults participating in ACL in the North East in 2006/07 were from black and minority ethnic communities, above the proportion of the population as a whole.
- 386 Some 8 per cent of adults participating in ACL in the region considered themselves to have a learning difficulty and/or disability, close to the national average (9 per cent).

Between 2005/06 and 2006/07, the number of adults with learning difficulties and/or disabilities participating in ACL in the North East rose by 4 per cent, compared to a fall of 4 per cent in the number of adults without.

- 387 Almost 15 per cent of adults participating in ACL in the region in 2006/07 were on Entry Level and Level 1 programmes, compared with 10 per cent of learners across England. ACL provision is dominated by programmes with no equivalent NVQ level. 86 per cent of learners in ACL in 2006/07 undertook such programmes.
- 388 The latest available data¹⁰³ suggests that the number of adults in ACL in the North East in 2007/08 was down 15 per cent lower on the previous year. This was in line with decline seen across England. While the data is incomplete, and full-year data is expected to record more learners, the fall in numbers also reflects ongoing reform and the refocusing of LSC budgets on priority provision.
- 389 The latest data shows that women continue to outnumber men in ACL, accounting for 76 per cent of adult learners in the region in 2007/08.
- 390 5 per cent of adults participating in ACL in 2007/08 were from black and minority ethnic communities, a similar proportion to that in 2006/07.
- 391 11 per cent of adults participating in ACL in 2007/08 considered themselves to have learning difficulties and/or disabilities. This was an increase since 2006/07, partly due to better recording and a reduction in the number of learners whose status was unknown.

Funding mix

- 392 Our funding for adult learning in the North East in 2006/07 totalled over £128 million. This is 6 per cent lower than in 2005/06. While our overall funding has reduced, our spending on priority target-bearing provision has increased.

Table 5: Funding mix for adult learners, North East, 2006/07

Category	Funding
Foundation Learning Tier	£10,190,144
Skills for Life – non-accredited	£4,932,554
Skills for Life – target bearing	£15,348,336
Level 2 – directly contributes to full Level 2 threshold; Apprenticeships	£26,459,505
Level 3 – directly contributes to full Level 3 threshold; Advanced Apprenticeships	£24,663,408
Level 2 – does not directly contribute to full Level 2 threshold	£14,314,018
Level 3 – does not directly contribute to full Level 3 threshold	£7,502,690
Level 4	£2,277,630
Level not classified / Adult and Community Learning	£22,919,930
Total	£128,608,215

Source: LSC Corporate Reports

- 393 Full Level 2 and full Level 3 provision accounted for the largest shares of our adult funding in 2006/07. Compared with the national average, we spend a higher proportion of our adult funding on full Level 2 programmes (21 per cent compared with 17 per cent in England), and a similar proportion on full Level 3 programmes (19 per cent compared with 20 per cent in England).

¹⁰³ LSC individualised Learner Record 2007/08 C01.

394 Non-target bearing provision accounted for a considerable proportion of our adult funding in 2006/07, particularly at Level 2 and in provision without an equivalent NVQ level (including all provision recorded as ACL). In part, this reflects the provision of unaccredited courses in Adult Safeguarded Learning. The proportion of our adult funding which funds non-target bearing provision is reducing, as we continue to shift funding towards our priorities. We will continue to fund some unaccredited provision, of course, to provide opportunities for adults who might not otherwise engage in learning and to support progression to achievement at Level 2 and above.

Learner support

Adult Learning Grant

395 The Adult Learning Grant provides income-assessed financial support during term-time for adults who are studying full-time for their first full Level 2 or first full Level 3 qualification. National evaluation suggests that ALG has a positive effect on participation, retention and achievement, with around two in five recipients saying that ALG influenced their decision to take a full Level 2 or Level 3 qualification, and a similar proportion saying they would have studied part-time had ALG not been available. The evaluation raises concerns, however, that not all eligible adults apply, mainly because of a lack of awareness¹⁰⁴.

396 Slightly fewer Adult Learning Grants were awarded in the North East in 2007/08 than we anticipated. 1,564 adults in the region received an Adult Learning Grant, compared with an expected 1,589.

397 Between 2006/07 and 2007/08, the number of applications for Adult Learning Grants in the North East increased by 18 per cent, compared with an increase of 95 per cent across England. The rejection rate in the North East was 23 per cent, compared with the national average of 26 per cent.

Over the same period, the number of actual awards made in the North East more than doubled, increasing by 115 per cent compared with an increase of 92 per cent across England.

The apparent variance in performance is due to the early trial introduction of the Adult Learning Grant in the North East. ALG was introduced in County Durham in 2003/04, as part of the first trials, and rolled out across the rest of the region in 2004/05. Nationally, ALG was not rolled out until 2007/08.

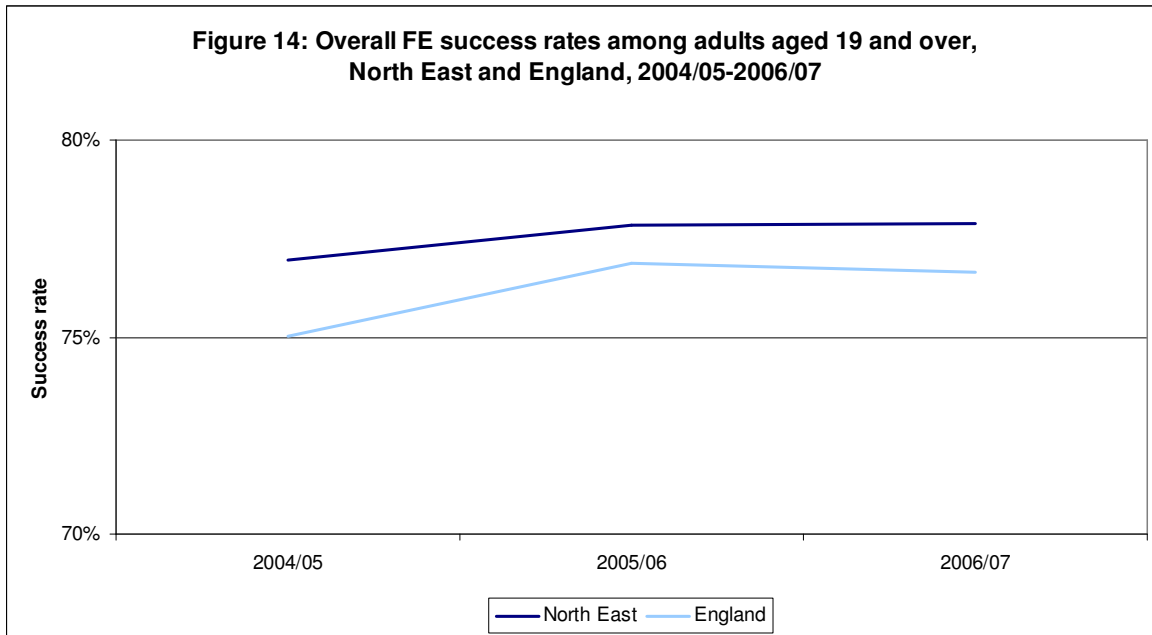
398 Most FE colleges in the region are using the Adult Learning Grant to promote access to Level 2 provision, but in other cases it is being promoted to those already signed up to Level 2 programmes. Colleges report that this approach proves effective in supporting retention and achievement among adult learners.

¹⁰⁴ Centre for Research in Social Policy/National Centre for Social Research, 2005.

Achievement

FE success rates

399 The overall success rate among learners aged 19 and over in Further Education¹⁰⁵ in the North East in 2006/07 was 77.9 per cent. FE success rates among adults in the North East showed no improvement between 2005/06 and 2006/07, compared with a very small decline in England. FE success rates among adults in the region remain above the national average (76.7 per cent).



Source: LSC Corporate Reports

400 Overall FE success rates among women aged 19 and over (77.9 per cent) are in line with those among their male counterparts (77.8 per cent).

401 Broadly speaking, overall FE success rates are lower among adults from black and minority ethnic communities (76.8 per cent) than they are among white adults (78.1 per cent). Between 2005/06 and 2006/07, success rates among adults from BME backgrounds improved more quickly than among white adults, and the gap appears to be closing.

FE success rates vary among adults from different black and minority ethnic communities, however. Success rates among adults from Black or Black British and Mixed Race backgrounds, are lower than those among adults from other BME backgrounds. Success rates among adults from Indian communities are higher than those among adults from other Asian or Asian British backgrounds.

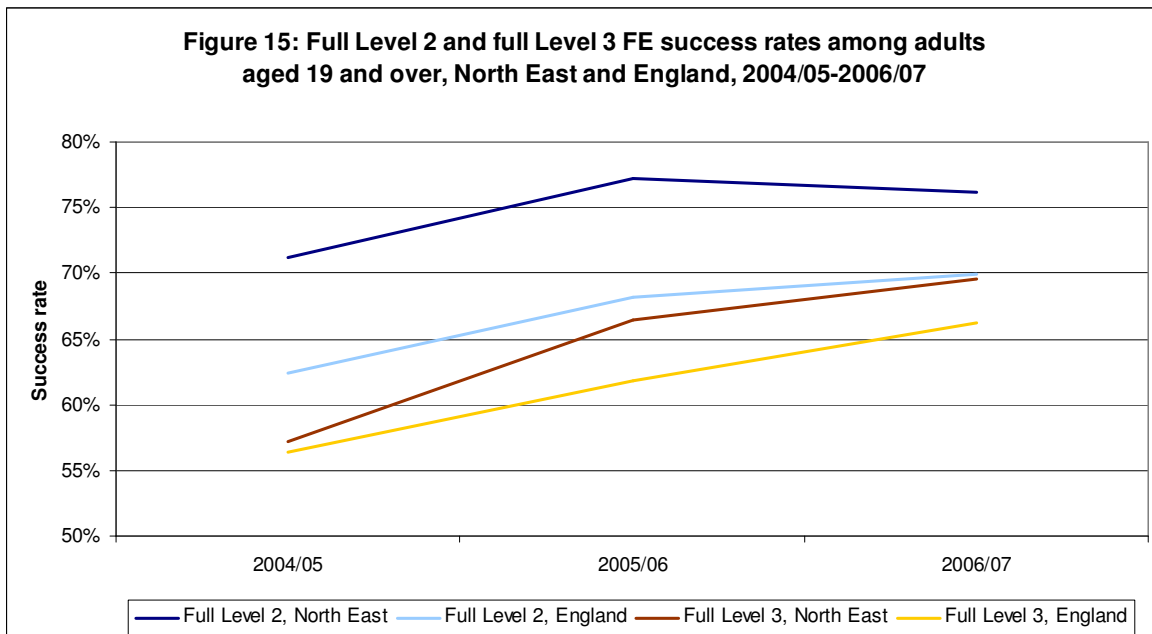
402 Overall FE success rates among adults with learning difficulties and/or disabilities showed more improvement between 2005/06 and 2006/07 than

¹⁰⁵ Success rates in Further Education are defined as the number of learning aims achieved by learners as a proportion of the number of learning aims they started, excluding learners who have transferred from one learning aim to another.

success rates among adults without. Success rates among adults with learning difficulties and/or disabilities (78.3 per cent) are now in line with those among their counterparts without learning difficulties and/or disabilities (78.2 per cent).

- 403 Overall FE success rates among adult learners fell in most parts of the region between 2005/06 and 2006/07. The fall was most significant in Northumberland, and success rates in the sub-region now well below average (71.5 per cent). Success rates are also below average in Tees Valley (73.6 per cent).

The fall in FE success rates was smallest in County Durham, and success rates among adults in the sub-region remain well above average (81.3 per cent). Success rates improved in Tyne and Wear, where they are also above average (79.8 per cent).



Source: LSC Corporate Reports

- 404 Despite a slight fall between 2005/06 and 2006/07, FE success rates among adults on full Level 2 programmes remain higher in the North East (76.1 per cent in 2006/07) than in England (69.9 per cent).
- 405 FE success rates among women aged 19 and over on full Level 2 programmes have improved between 2005/06 and 2006/07, while falling among men. Success rates among adult women (73.9 per cent), however, remain slightly lower than among their male counterparts (77.8 per cent).
- 406 Full Level 2 FE success rates among adults from black and minority ethnic communities fell between 2005/06 and 2006/07, and this fall was more significant than that among white adults. Nevertheless, success rates among adults from BME communities (77.5 per cent) remain higher than among white adults (76.2 per cent).

Full Level 2 FE success rates are lower among adults from Black or Black British and Mixed Race backgrounds than among adults from other BME communities.

- 407 Full Level 2 FE success rates among adult learners with learning difficulties and/or disabilities have improved more quickly than success rates among adults without, which saw a slight fall between 2005/06 and 2006/07. Adults with learning difficulties and/or disabilities, however, remain less likely to succeed in a full Level 2 qualification than those without. FE success rates among adults with learning difficulties and/or disabilities on full Level 2 programmes (74.1 per cent), remain below those among adults without learning difficulties or disabilities (76.6 per cent).
- 408 Between 2005/06 and 2006/07, full Level 2 FE success rates among learners aged 19 and over fell in most parts of the region. Northumberland saw the biggest fall, and success rates among adults on full Level 2 programmes in the county are well below average (65.3 per cent). Success rates among adult learners also fell in Tees Valley, where they remain slightly below the regional average – but above the national average (at 74.2 per cent).
- Full Level 2 FE success rates among adult learners saw only a slight fall in Tyne and Wear, where they remain above average (78.6 per cent). Success rates among learners aged 19 and over showed a small improvement in County Durham, where they are now on a par with those in Tyne and Wear (78.7 per cent).
- 409 FE success rates among adults on full Level 3 programmes have improved less quickly than the national average, but remain higher in the North East (69.6 per cent) than in England (66.2 per cent).
- FE success rates among adults on full Level 3 programmes are well below those among adults on full Level 2 programmes.
- 410 FE success rates among men aged 19 and over on full Level 3 programmes have improved more quickly than among women. Success rates among men on full Level 3 programmes (68.2 per cent), however, remain lower than those among their female counterparts (70.4 per cent).
- 411 Full Level 3 FE success rates among adults from black and minority ethnic communities have improved more quickly than those among white adults. Success rates among adults from BME communities on full Level 3 programmes (72.0 per cent) are above those among white adults (69.5 per cent).
- Full Level 3 FE success rates among adults from Mixed Race backgrounds are significantly lower than those among adults from other BME communities. Conversely, success rates among adults from Chinese and Other Ethnic backgrounds are significantly higher than those among adults from other BME communities.
- 412 Between 2005/06 and 2006/07, full Level 3 FE success rates among adult learners with learning difficulties and/or disabilities improved at a significantly faster rate than among adults without. Success rates among adults with learning difficulties and/or disabilities (71.2 per cent) are now higher than those among adults without learning difficulties or disabilities (69.7 per cent).

413 Within the region, full Level 3 FE success rates among adult learners showed the greatest improvement in Tees Valley, though success rates in the sub-region (66.5 per cent) remain below the average across the North East (and very slightly below the national average).

FE success rates among learners aged 19 and over on full Level 3 programmes in County Durham fell slightly, and have slipped a little below the regional average – though they remain above the national average (69.3 per cent).

Full Level 3 FE success rates among adult learners showed similar improvements in Northumberland and Tyne and Wear, building on significant improvements the previous year (particularly in Northumberland). Success rates are above average in both sub-regions (both 71.1 per cent).

Apprenticeship success rates

414 The framework success rate among adults aged 19 and over in Apprenticeships¹⁰⁶ in the North East in 2006/07 was 62.8 per cent, in line with the national average (62.7 per cent). This was a 2.3 percentage point increase on 2005/06, a similar improvement to that seen in England (2.2 percentage points).

415 The framework success rate among adult learners in Advanced Apprenticeships in the region in 2006/07 was 62.4 per cent, also in line with the national average (62.8 per cent). This was a 5.2 percentage point increase on 2005/06, a smaller improvement than that seen nationally (6.3 percentage points).

Skills for Life achievement

416 Between them, over 25,700 adult learners successfully completed almost 39,700 Skills for Life aims in the North East in 2006/07. 70 per cent of these learning aims were approved qualifications.

417 45 per cent of the approved qualifications achieved were in literacy. Somewhat fewer (39 per cent) were in numeracy. 11 per cent were ESOL qualifications. The rest were qualifications that were not assigned a Skills for Life category.

418 44 per cent of approved qualifications achieved were at Level 2. 36 per cent were at Level 1, and 20 per cent were at Entry Level.

419 Achievement rates among adults on approved Skills for Life courses have improved from 68 per cent in 2005/06 to 72 per cent in 2006/07. We must continue to improve attainment of literacy and numeracy among adults to underpin learning at Level 2 and above, as well as sustainable employment.

Progress towards targets: adult attainment at Level 2

420 The Government set a PSA target in the 2004 Comprehensive Spending Review to reduce the number of economically active adults aged 18 to retirement who lack Level 2 qualifications by at least 40 per cent by 2010. Working towards this, one million adults in the workforce were required to

¹⁰⁶ A more detailed picture of Apprenticeship success rates is presented later in this report.

achieve a Level 2 between 2003 and 2006. Nationally, we met the interim 2006 target six months early.

- 421 At the time of writing, data is not available to enable us to compare progress towards the 2010 target in the North East and nationally¹⁰⁷. Previous analysis has suggested that the North East is lagging behind national performance in reducing the number of economically active adults without a Level 2¹⁰⁸.
- 422 In response to the recommendations of the Leitch Review of Skills¹⁰⁹, the Government set a PSA target in the 2007 Comprehensive Spending Review to increase the proportion of adults aged 19 to retirement who are qualified to Level 2 to over 90 per cent by 2020, with a commitment to achieve 95 per cent as soon as possible.

Working towards this, the Government set an interim target for 79 per cent of adults aged 19 to retirement to be qualified to Level 2 by 2011.

- 423 Nationally, progress towards this target will be monitored against a baseline measured using Quarter 4 2008 Labour Force Survey data, which won't be available until 2009. The Annual Population Survey, however, suggests that nationally, the target requires a 10.1 percentage point increase between 2007 and 2011 in the proportion of adults qualified to Level 2. Historical performance suggests that meeting this target will be difficult.
- 424 An equivalent percentage point increase requires 79.4 per cent of adults aged 19 to retirement in the North East to achieve a Level 2 by 2011. Historical performance suggests that improvements in the number of adults in the region who achieve Level 2 qualifications each year will need to speed up if this percentage point increase is to be achieved.

Progress towards targets: adult attainment at Level 3

- 425 The Government set a PSA target in the 2007 Comprehensive Spending Review to increase the proportion of adults aged 19 to retirement who are qualified to Level 3 to 68 per cent by 2020.

Working towards this, an interim target was set for 56 per cent of adults aged 19 to retirement to be qualified to Level 3 by 2011.

- 426 As at Level 2, national progress towards this target will be monitored against a baseline measured using Quarter 4 2008 Labour Force Survey data, which won't be available until 2009. The Annual Population Survey, however, suggests that nationally, the target requires a 7.0 percentage point increase in the proportion of adults qualified to Level 3 between 2007 and 2011. Historical performance suggests that meeting this target will be challenging.

¹⁰⁷ Progress towards the national target is measured using the quarterly Labour Force Survey. At regional level, the Annual Population Survey is more robust because of its increased sample size. Annual Population Survey data was recently reweighted, but a problem with the derivation of qualification variables for 2003/04 means that this data has been withheld. A regional baseline against which progress can be measured is therefore not currently available.

¹⁰⁸ LSC North East, 2007.

¹⁰⁹ HM Treasury, 2006.

427 An equivalent percentage point increase requires 54.1 per cent of adults aged 19 to retirement in the North East to achieve a Level 3 by 2011. Historical performance suggests that the region can achieve this increase.

Progress towards targets: Skills for Life

428 The Government set a Public Service Agreement target at the start of the Skills for Life Strategy in 2001, to improve the literacy, language and numeracy skills of 2.25 million adults aged 16 and over by July 2010.

429 Nationally, some 5.7 million adults have improved their skills on 12 million courses between the launch of the strategy in 2001 and July 2007, with 2,276,000 learners achieving their *first* Skills for Life qualification in literacy, language or numeracy. This means that nationally, we have met the PSA target three years early.

430 Some 34,700 learners in the North East achieved a qualification that counted towards the 2010 Skills for Life target in 2006/07¹¹⁰. This represented 78 per cent of all learners achieving Skills for Life qualifications. 51 per cent of these learners were 16 to 18 year olds, and 49 per cent were adults.

431 Of all qualifications that could potentially have counted towards the target in 2006/07, 51 per cent were literacy qualifications, 47 per cent were numeracy and 1 per cent were ESOL qualifications.

432 We will continue to record progress against the 2010 target. However, our focus now turns to our new PSA target.

433 The Leitch Review of Skills¹¹¹ outlined an ambition for 95 per cent of the country's working age population to achieve the basic skills of functional literacy (Level 1) and functional numeracy (Entry Level 3) by 2020. This ambition was translated into a PSA target to 2011:

- 597,000 people of working age to achieve a first Level 1 or above approved literacy or ESOL qualification, and
- 390,000 people to achieve a first Entry Level 3 or above approved numeracy qualification.

434 We recognise that these new targets are challenging. The numeracy target will be a particular challenge, given that historically we have delivered more literacy than numeracy provision in response to a greater demand from learners for literacy courses, and little Entry Level numeracy.

435 In 2006/07 there were nearly 12,200 approved Level 1 literacy and ESOL achievements among learners in the North East. In the same year, there were an estimated 1,100 approved Entry Level 3 achievements¹¹².

436 We expect growth in Entry Level numeracy provision in 2008/09 in response to a clear policy steer. There is also an expectation that a proportion of learners who achieve a Level 1 or Level 2 numeracy qualification will not have a prior achievement at Entry Level 3 and will therefore also count

¹¹⁰ This figure is not discounted for prior attainment in previous years.

¹¹¹ HM Treasury, 2006.

¹¹² Entry Level 3 achievements are estimated due to the poor recording of the achievement outcome in the Individualised Learner Record. The current assumption is that 50 per cent of Entry Level achievements will be Entry Level 3.

towards the target. There will be a need to further increase numeracy provision in 2010/11, although this must not be at the expense of literacy provision.

- 437 Through their recruitment strategies, providers will need to do more to engage those with functional basic skills needs. These adults are often the hardest to reach – traditionally, they are not inclined to enrol on such courses.
- 438 A national numeracy campaign was launched in March 2008 to help raise demand among adults. We need to build capacity in the region, in particular in numeracy provision to be able to respond to the demand generated by such campaigns.
- 439 It is important to note that while the focus of the targets is at these functional levels, we must continue to support learners at all levels from pre-entry through to Level 2.

Employers

Employer skills needs

- 440 Economic performance and employer skills needs vary across the region. Some sectors, such as chemicals, are more strongly represented in the south of the region. Others, such as automotive manufacturing, are more strongly represented in the north. Still others, such as tourism and hospitality, are more strongly represented in rural areas.
- 441 The economy of the Tees Valley sub-region remains relatively buoyant, despite the wider economic downturn. The high price of oil is leading to increased investment by suppliers in oil and gas, with knock-on effects on the engineering and petrochemical sectors. Employers in the process and related industries in Tees Valley continue to express latent demand for higher skilled operators at Level 3 and Level 4. PD Ports have committed to a major expansion, linked to the success of Corus – this is estimated to create more than 1,000 new jobs, with particular emphasis on warehousing and multi-skilled operators.
- 442 Job losses are starting to be seen in a number of sectors in Tyne and Wear and Northumberland, although with a few exceptions these are tending to be relatively small-scale. Other sectors, particularly those with significant exports and those linked to the energy sector, remain buoyant. Unemployment is rising, however, and this will have a significant impact on Integrated Employment and Skills provision.

Skills shortages

- 443 In the year to summer 2007, some 5 per cent of establishments in the North East experienced difficulties filling one or more vacancies due to a shortage of applicants with the skills, experience or qualifications required. Such skills shortage vacancies accounted for 20 per cent of all vacancies. These proportions were in line with national averages¹¹³.
- 444 Skills shortage vacancies affected recruitment in professional, skilled trades and machine operative jobs more than recruitment in other occupations. Recruitment in administrative and secretarial, personal services, sales and customer services and low skilled manual jobs was least affected.
- 445 Technical, practical and job-specific skills were most commonly reported by employers as being difficult to obtain from job applicants. Customer care skills, problem solving skills, team working skills and management skills were also reported to be difficult to obtain. There were also difficulties associated with job applicants' generic skills, particularly in relation to oral and written communication, literacy and numeracy. General IT skills, office-based administrative skills and IT professional skills were also cited as problem areas.

¹¹³ IFF Research, 2008. A statistical picture of employer skills needs at regional level is also presented in the Sector Skills Needs Matrix which accompanies this report.

Skills gaps

- 446 Skills gaps exist where employees are not fully proficient at their job. 19 per cent of establishments in the North East reported skills gaps in their existing workforce in summer 2007, the highest proportion of any region and above the national average of 15 per cent. Nevertheless, the proportion of establishments reporting skills gaps in the region is falling, from 26 per cent in 2003 and 21 per cent in 2005¹¹⁴.
- 447 Employers reported that some 62,000 people working in the North East were not fully proficient at their current jobs – 6 per cent of all employees, in line with the national average.
- 448 Skills gaps were most commonly reported in traditionally low skilled and semi-skilled jobs, particularly elementary and sales occupations. Skills gaps were least commonly reported in management, professional and associate professional jobs, though even in these occupations a significant minority of employees are reported to have skills gaps.
- 449 Employers most commonly report that technical, practical or job-specific skills need improving among staff identified as having a skills gap. Team working skills, customer care skills and problem solving skills were also commonly reported to need improving. Oral and written communication skills, general IT skills, management skills and office-based administrative skills were also cited as needing improvement.

According to employers, the level of poor literacy skills among the current workforce is higher in the North East than most other regions. The North East also has a higher level of poor numeracy skills among the current workforce than any other region.

- 450 The most common reason reported by employers for their staff not being fully proficient is that they lack experience, or have only recently been recruited. Employers also acknowledge that their failure to invest in the training and development of their staff can lead to skills gaps emerging.

An apparent unwillingness or inability of employees to engage in training and development is also reported to lead to skills gaps, with employers citing a lack of motivation among staff and the inability of the workforce to keep up with change.

Employers also report that recruitment problems and high levels of staff turnover can contribute to skills gaps.

- 451 The overwhelming response to skills gaps has been to increase training activity or to increase the amount spent on training. Less common responses were to increase supervision, introduce more staff appraisals or introduce mentoring schemes. A significant proportion of employers with staff who were not fully proficient, however, did nothing to address the skills gaps among their workforce.

¹¹⁴ IFF Research, 2008.

Recruitment of young people

- 452 Some 40 per cent of establishments in the North East had recruited one or more 16–24 year olds in the year to summer 2007. 28 per cent had recruited a 16–24 year old (most commonly, a 17 or 18 year old) straight from education¹¹⁵.
- 453 Larger employers were more likely to recruit 16–24 year olds than smaller employers. Employers in Tyne and Wear and Tees Valley were more likely to do so than employers in Northumberland and County Durham.
- 454 Most employers who recruited 16–24 year olds reported that the young people they recruited were well or very well prepared for work. Perhaps not surprisingly, the proportion of establishments reporting a good level of preparedness increases with the age of the recruit. Young graduates were reported to be best prepared.
- 455 While the majority of employers are satisfied with the preparedness of their young recruits, employers in the North East are more likely than average to report that the 16–24 year olds they recruit are poorly or very poorly prepared for work.
- 456 Employers who recruited 16 year olds from school and felt they were poorly or very poorly prepared for work said their oral communication skills needed improving, that they had a poor attitude to work, lacked life and/or work experience and were poorly motivated.
- 457 As well as poor time keeping skills, these were also the skills cited most frequently as lacking among 17 and 18 year olds recruited from school or college.
- 458 For young graduates, technical or job-specific skills were most commonly reported to need improving, followed by a lack of life and/or work experience, oral communication and social skills.
- 459 Few employers suggested that literacy or numeracy skills needed improving among their 16–24 year old recruits. This was especially true of those recruiting graduates.

Future skills needs

- 460 Projections suggest that total employment in the North East will increase by 3 per cent between 2007 and 2017, compared with growth of 7 per cent in England¹¹⁶. The trend in the economy towards service sector growth is expected to continue, offset by decline in manufacturing and production sectors¹¹⁷. The number of jobs requiring intermediate and higher level skills is projected to grow, while the number of jobs in craft level occupations and in occupations with low skills needs is projected to fall.

¹¹⁵ IFF Research, 2008.

¹¹⁶ UKCES Working Futures III. The projections do not take account of the GVA growth target in the Regional Economic Strategy which, if achieved, will lead to significant job creation in the years to 2016.

¹¹⁷ A picture of projected employment change by sector is presented in the Sector Skills Needs Matrix which accompanies this report (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).

Table 6: Projected employer demand by occupation, North East, 2007–2017

	Projected employment change 2007–2017	Expansion demand	Replacement demand	Net recruitment demand
Managers and Senior Officials	11%	15,400	54,000	69,500
Professional	7%	9,700	49,800	59,600
Associate Professional and Technical	7%	11,100	52,200	63,300
Administrative and Secretarial	–5%	–6,300	57,700	51,300
Skilled Trades	–7%	–10,800	47,400	36,600
Personal Service	8%	7,600	38,600	46,200
Sales and Customer Service	12%	13,800	41,400	55,200
Process, Plant and Machine Operatives	–8%	–8,200	36,700	28,500
Elementary	2%	3,500	57,300	60,800
All occupations	3%	35,800	435,200	471,000

Source: UKCES Working Futures III

461 Yet employer demand will be significant in all sectors and occupations over the next decade, including those projected to decline in overall employment terms, because of the need to replace staff lost through turnover and retirement. Total replacement demand in the North East is estimated to be around 12 times as great as net expansion demand (the number of new jobs created minus the number of jobs lost).

The projections suggest that between 2007 and 2017, North East employers will need to fill over 470,000 vacancies.

462 The scale of projected recruitment demand, and its changing nature, pose significant challenges for the learning and skills sector. Given that the number of young people entering the region's labour market is falling year by year, and that estimates suggest that as many as 80 per cent of the workforce of 2020 may already be in employment¹¹⁸, employers' skills needs must increasingly be met through learning and skills development of the current workforce, and through engaging growing numbers of unemployed and economically inactive people in learning and support programmes which will help them back into sustainable employment.

Employer engagement in training and development

463 Employers in the North East are more likely than average to provide training for their staff. 70 per cent of establishments in the region funded or arranged training in the year to summer 2007, the highest proportion of any region, and above the national average of 67 per cent¹¹⁹.

464 Employers in the region invested an estimated £2,015 million in training and development in the year to summer 2007. Investment in training among

¹¹⁸ Prof. Mike Campbell, Director of Strategy and Research at the Sector Skills Development Agency (now the UK Commission for Employment and Skills).

¹¹⁹ IFF Research, 2008. A statistical picture of employer engagement in training is also presented at regional level in the Sector Skills Needs Matrix which accompanies this report.

employers in the North East has increased by 44 per cent since 2005 – the largest increase of any region.

Establishments in the North East invest a higher proportion of their training budgets in off-the-job training than in any other region. In the year to summer 2007, employers in the region invested 55 per cent of their training expenditure in off-the-job training, compared with the national average of 47 per cent.

- 465 More than 689,000 people working in the North East received training arranged or funded by their employer in the year to summer 2007. This equates to 68 per cent of the workforce, slightly lower than in the year to summer 2005 (70 per cent). Despite this fall, people working in the North East remain more likely to receive training than those in other regions.
- 466 The larger the establishment, the more likely they were to provide training. The very smallest establishments, with less than five staff, were significantly less likely to provide training than those with five or more employees.
- 467 In volume terms, more people working in professional or management jobs in the North East received off-the-job training than people working in other occupations. In terms of the proportion of the workforce who received training, those working in professional or personal service occupations were most likely to receive off-the-job training.
- Despite being one of the largest groups in terms of employment, those working in low skilled manual jobs were least likely to receive off-the-job training.
- 468 On-the-job training was generally more common than off-the-job training, except among those in professional jobs (where off-the-job training was more common) and those in management roles (where equal proportions received on-the-job and off-the-job training).
- 469 In volume terms, more people working in sales and customer service jobs or in low skilled manual jobs received on-the-job training than people working in other occupations. In terms of the proportion of the workforce who received training, those working in sales and customer service or personal service jobs were most likely to receive on-the-job training.
- 470 By far the most common reason for not providing training in the year to summer 2007 was a perceived lack of need, with 64 per cent of establishments which did not fund or arrange training reporting that this was because all of their staff were fully proficient. The second most common reason for not providing training was that the organisation prefers staff to learn by experience ('learn as you go'), but this was cited by just 7 per cent of establishments which did not fund or arrange training.
- 471 Smaller proportions suggested that a lack of time prevented training and development, that employees were too busy to go on training courses or that managers were too busy to organise training. A very small proportion of non-training establishments (2 per cent) reported that the courses they sought were not available locally.
- 472 Just under half the establishments which arranged or funded training in the year to summer 2007 (48 per cent) said they would have liked to provide

more training. A lack of funds or the overall expense of training was the primary factor preventing these establishments providing more training. Time pressures, including pressures on staff availability and the time required to organise training, were also significant factors.

- 473 Small proportions of employers who said they would have liked to provide more training reported that they were unable to do so because of a lack of appropriate provision in the subject areas needed, or because of a lack of good training providers in the locality, difficulties finding providers to deliver training at the time or location needed, a general lack of provision (for example, because courses were full) or a lack of knowledge about the training opportunities available or the suitability of courses.

Employer engagement with training providers

- 474 Just under a third of establishments in the region which had arranged or funded training in the year to summer 2007 had used Further Education colleges to provide teaching or training (32 per cent, compared with the national average of 26 per cent).

Over half had used other providers such as external consultants and private training providers (56 per cent, compared with the national average of 51 per cent)¹²⁰.

- 475 Larger establishments were more likely to use FE colleges or other training providers than smaller establishments.
- 476 Establishments which had not used FE colleges to provide teaching or training during the year to summer 2007 most commonly cited a lack of relevancy of courses and a preference to train staff in-house as reasons for not doing so. Lack of relevancy was most frequently cited by smaller employers, and the preference for in-house training by larger employers.

Around one in ten employers which had not used FE believed that there was no need for training or that their staff were already fully proficient.

Responding to employer skills needs

- 477 During the last two years, LSC North East has pioneered an approach to mapping qualifications to occupations and industrial sectors which has informed the development of a national strategy for sector data. The mapping of qualifications against Sector Skills Council and Standard Setting Body (SSB) footprints within the national strategy has helped to inform the development of Sector Qualification Strategies and Action Plans.
- 478 In June 2008, every SSC and SSB submitted their Sector Qualification Strategies and Action Plans to the LSC as part of the Vocational Qualification Reform programme. Through this process, a range of new and updated qualifications which more closely match employer demand will provide potential opportunities for growth in every sector. Work is now underway to align funding with the vocational qualifications identified as priorities by SSCs.

¹²⁰ IFF Research, 2008.

479 It is anticipated that Sector Qualification Strategies and Action Plan developments, along with increased Train to Gain flexibilities, will ensure that providers are better placed to meet the employers' skills demands. These developments will require providers to increase their capability and capacity to deliver new and updated qualifications. In some sectors (including AssetSkills, ConstructionSkills, SummitSkills and Improve) there may be a need to increase the number of qualified assessors and verifiers.

Cross-cutting barriers to growth of Train to Gain and Apprenticeships

480 The Government recognises the need for enormous growth in Apprenticeship numbers if we are to compete in a challenging global economy. In response to the strategy set out in *World-Class Apprenticeships*¹²¹, our Regional Sector Skills team has undertaken sectoral analysis which outlines the current position for delivery of Apprenticeships in different sectors in the North East, identifies and begins to address the key barriers to delivering growth of Train to Gain and Apprenticeships in the region, and which provides a Sector Intelligence evidence base to inform, support and help to deliver growth in all sectors.

481 A number of sectors have expressed difficulty in engaging with skills provision in the past due to the dynamics of their workforce, such as the prevalence of part-time and/or seasonal work and high staff turnover.

482 Some sectors include predominantly small and micro-businesses, a size profile that means engagement with skills provision through the employer offer can be particularly problematic. Smaller companies often believe that the investment of resources to support training within their businesses, particularly Apprenticeship programmes or full time Apprentices, is an ineffective use of their resources.

483 A number of sectors feel that the current economic climate will make it difficult for companies to invest time and resource in training new entrants and the existing workforce. The effects are particularly strong in a few sectors, such as construction, transport and financial services where redundancies have already taken place.

484 Employers in a number of sectors have stated that they do not value the current qualifications and frameworks available, as they do not fully reflect skills needs in these sectors.

485 Entry to some occupations in some sectors requires qualifications at Level 4 and above. Apprenticeships have not previously been fully utilised as an entry route to these sectors, and employers have often not accessed Train to Gain provision to upskill their existing workforce. Where employers focus on graduate recruitment, delivering skills through the core employer offer has been challenging.

Responding to cross-cutting barriers

486 Where sectors have previously struggled to engage with the employer offer due to their size, the LSC plans to trial Group Training Association (GTA) approaches to delivering Apprenticeships. Apprentices will work for

¹²¹ DCSF/DIUS, 2008b.

employers through a GTA umbrella, gaining skills and experience in a range of micro, small and medium-sized businesses while employed by the third-party GTA. At some stage during or after the Apprenticeship programme, learners will become employed directly by an employer or group of employers.

- 487 The LSC will continue to implement Joint Investment Frameworks (JIFs) in appropriate sectors to tackle skills gaps and skills shortages. JIFs will help to upskill the workforce by focusing LSC funding and employer training resources to maximise Public/Private (or Public/Public) investment in skills. A JIF has already been agreed with the health sector, and a public sector JIF is currently in development.
- 488 Sector Compacts are non-contractual agreements between DIUS, the LSC and an SSC (or other sector body) to work collaboratively to drive up demand for skills across England through Train to Gain. As Sector Compacts continue to be agreed, we are working with partners to ensure delivery of the compact to encourage the uptake of skills in the region.
- 489 In the North East, we are driving up delivery of new qualifications and frameworks by sharing sector intelligence on new developments through Curriculum Managers meetings, Work Based Learning networks, Business Enterprise North East (BENE) Brokers and employer groups. The LSC is developing closer working with the BENE Brokers to share sector intelligence and identify gaps in provision against employer demand, maximising the opportunities for growth.
- 490 We are strengthening our strategic relationships with the National Employment Service and other regions where they are funding provision within the North East. These relationships help to ensure that this provision closely matches the needs and demands of employers in the region.
- 491 As we progress towards the London 2012 Olympic Games, there will be opportunities for the region to further its wider skills and employment strategic aims. This will be broader than sports-related skills, encompassing skills required by regional businesses to fulfil Olympics-related contracts.

Structural reform

Vocational Qualification Reform and the Qualifications and Credit Framework

- 492 In August 2008, the UK Vocational Qualification Reform programme moved from a development phase into implementation, focusing specifically on the Qualifications and Credit Framework and the continuing work of Sector Skills Councils in identifying qualifications as priorities for public funding in their Sector Qualification Strategies (SQS) and Action Plans.
- 493 In 2008/09, the LSC is overseeing the decision-making process of aligning funding with vocational qualifications identified as priorities by SSCs. From August 2009, funding will cease for qualifications identified as low priority.

Unit Funding Trials

- 494 In many sectors, there is continued evidence of employer demand for bite-sized units of learning. Following our successful involvement in the Phase 1 QCF trials in 2007/08, LSC North East will continue to trial an approach to

funding units of qualifications within the Unit Funding Trials. Initially, these trials will be within the IT user, IT professional and chemical sectors. Positive outcomes from the trials will determine the future suitability of unit funding for other sectors. This work has the potential to support the implementation of Sector Compacts.

National Skills Academies

- 495 The LSC will continue to support the growth of National Skills Academies (NSAs). NSAs are seen as the vehicle for transforming the skills system through employers taking the lead in identifying both their training needs and the solutions to meeting these needs. It is presently the Government's intention to have an Academy for all key sectors. Academies will develop and deliver sector priority provision as a key part of specialist networks of high quality providers.
- 496 There are now ten National Skills Academies in operation, all at various stages of development: Construction, Financial Services, Manufacturing, Food and Drink Manufacturing, Process Industries, Nuclear, Hospitality, Creative and Cultural, Sport and Active Leisure, and Retail.
- 497 The national hub of the Process Industries Academy is based in Tees Valley and there are spokes of the Manufacturing, Food and Drink Manufacturing, Nuclear and Hospitality Academies within the region. Spokes for Retail, Construction and Financial Services are also in development.
- 498 The Round Four tendering process is at the initial stages. It is anticipated that another four sectors will be identified in this round to go forward to the next stage of developing a business plan.

Apprenticeships

- 499 Apprenticeships are a key element of the Government's drive to improve the skills of the country's workforce. A sustained growth in Apprenticeship numbers is expected, reflecting the ambition of the Leitch Review of Skills for 400,000 Apprentices in England by 2020¹²². Achieving this ambition requires over 250,000 Apprenticeship starts and 190,000 successful completions each year by 2019/20¹²³.
- 500 From 2012 the Government will introduce an entitlement to an Apprenticeship place for all 16–18 year olds who achieve the required entry qualifications. The expectation is that around one in five young people will be undertaking an Apprenticeship within the next decade, with Apprenticeships becoming a mainstream post-16 option¹²⁴.

Significant growth in Adult Apprenticeships (for those aged 25 and over) is also expected, while growth in Advanced Apprenticeships is anticipated to meet increasing employer demand.

¹²² HM Treasury, 2006.

¹²³ DCSF/DIUS, 2008b. The drive to increase participation among 16–18 year olds translates to an ambition for one in five of the cohort aged 18 in 2019/20 to have started an Apprenticeship by the end of that academic year.

¹²⁴ This translates to an ambition for one in five of the cohort aged 18 in 2019/20 to have started an Apprenticeship by the end of that academic year.

501 We are planning for the introduction of the National Apprenticeship Service (NAS), which will lead the expansion and improvement of the Apprenticeship programme. NAS will be fully operational from April 2009, initially as a separate and distinct service within the LSC, and will take end-to-end accountability for the Apprenticeship programme.

Learner demand

502 Between mid July 2007 and early September 2008, the national call centre for Apprenticeships fielded 5,487 enquiries from learners in the North East¹²⁵.

503 Nationally, there is strong evidence of unmet learner demand for Apprenticeships, with 25 per cent of learners not able to find an employer or provider¹²⁶. Currently, most learners are left to find a placement on their own. The National Apprenticeship Vacancy Matching Service, which will be rolled out nationally from December, will help match potential apprentices to employers with vacancies.

Employer engagement in Apprenticeships

504 Compared with other regions, the North East has historically had high levels of participation in Work Based Learning, without a significant number of large employers to support it. There is a considerable mismatch between learner demand for Apprenticeships, and employer demand. Between mid July 2007 and early September 2008, the national call centre for Apprenticeships fielded 412 enquiries from employers in the North East, far below the number of enquiries from learners. If all enquiries from learners in the North East were to lead to an Apprenticeship start, every employer enquiring about Apprenticeships in the region would need to recruit more than 13 apprentices in order to accommodate learner demand¹²⁷.

505 Insufficient employer involvement is the biggest single constraint on Apprenticeship growth, particularly in rural areas. This reflects the relatively weak economy and employer base in the region. Economic downturn poses further risks as it impacts on employer investment in training and development. There is evidence of a recent slowdown in Apprenticeship recruitment in the Construction sector, though so far recruitment in manufacturing and other sectors has not been affected. Despite the downturn, there are encouraging signs that the overall level of employer engagement in Apprenticeships is increasing, and that the number of Apprenticeship places offered by employers is rising.

506 Research suggests that employers in the North East are more likely to offer Apprenticeships to staff than the national average. 16 per cent of establishments in the region offer Apprenticeships, compared with 14 per cent across England¹²⁸.

507 As a proportion of the workforce, North East employers also take on more Apprentices than employers in any other region – 11 apprentices aged 16–24 years old (including 8 aged 16–18 years old) for every 1,000 staff.

¹²⁵ Weekly call centre report, week ending 7 September 2008.

¹²⁶ LSC, 2008d.

¹²⁷ Weekly call centre report, week ending 7 September 2008.

¹²⁸ IFF Research, 2008.

- 508 Three in five employers offering Apprenticeships have been approached by their provider to increase the number of places they offer. Only one in five, however, has been asked by their provider whether they were interested in offering an alternative framework. One in ten had requested additional apprentices but were told that this was not possible, mostly because no additional funded places were available from their provider¹²⁹. The LSC has introduced additional flexibilities to Apprenticeship contracts to support growth in Apprenticeships.
- 509 Larger employers are more likely to offer Apprenticeships than smaller employers. Employers in County Durham are more likely to offer Apprenticeships than those in other areas, while employers in Northumberland are least likely to do so.
- 510 Employers in the region most frequently cite being able to train recruits in their own way of doing things as the reason why they offer Apprenticeships. Providing training for their future workforce is also a common reason. Apprenticeships are also offered in response to skills shortages.
- 511 The most frequently cited reasons why employers in the North East do not offer Apprenticeships surround issues such as a perceived lack of relevancy, staff already being fully trained, and staff not needing to be particularly highly skilled.
- 512 A feeling that the business is 'too small' is also cited as a reason for not offering Apprenticeships, particularly among the very smallest employers. However, smaller establishments actually recruit a larger number of Apprenticeships relative to the number of people they employ than larger establishments. 16–24 year olds recruited to Apprenticeships account for 1.9 per cent of the total number of employees in establishments with 2–4 staff, compared with 1.1 per cent in establishments with 100–199 staff and 0.3 per cent in establishments with 500 or more staff.
- 513 Funding is not seen by employers in the region as a key reason for not offering Apprenticeships. Relatively few cite a lack of public funding or internal resources, a lack of suitable facilities, or a lack of time as issues¹³⁰.
- 514 A lack of awareness of the Apprenticeship programme is a problem. Almost a third of non-participating employers say they have never heard of it, and almost as many again are aware of Apprenticeships but know no detail. Moreover, two thirds of non-participating employers do not know where to go for advice about the programme. Relatively few non-participating employers have been contacted directly by a training provider about the Apprenticeship programme.
- 515 Around a third of non-participating employers think it is likely that they would get involved in the Apprenticeship programme if a training provider contacted them with a bespoke offer. Other employers feel that NVQs (rather than full Apprenticeship frameworks) offer better value for money, or are simply more appropriate to their needs.

¹²⁹ LSC, 2008d.

¹³⁰ IFF Research, 2008.

Participation in Apprenticeships

516 Although our learner data does not yet reflect the new Demand Led Funding models, this is not an issue in relation to Apprenticeships. Previously funded from WBL budgets, from 2008/09 all Apprenticeships will be funded from the Employer Responsive budget.

16–18 year olds

517 The total number of 16–18 year olds in Apprenticeships in the North East (including those who started their programme in previous years) fell by 4 per cent between 2005/06 and 2006/07, compared with a fall of 6 per cent across England.

The total number of young people starting Apprenticeships in the region also fell by 4 per cent between 2005/06 and 2006/07, compared with an increase of 6 per cent in England.

Table 7: 16–18 year olds in Apprenticeships, North East, 2005/06–2007/08

	2005/06		2006/07		2007/08 year to date	
	Learners	Starts	Learners	Starts	Learners	Starts
Level 2 Apprenticeships	6,270	5,660	5,599	5,204	5,396	2,961
Advanced Apprenticeships	2,656	1,475	2,929	1,674	3,165	1,322
All Apprenticeships	8,925	7,135	8,528	6,878	8,561	4,283

Source: LSC Corporate Reports

518 The most recent data¹³¹ remains incomplete for young learners in Apprenticeships in 2007/08. The available data suggests that as at Period 9 (April) the total number of 16–18 year olds in Apprenticeships in the North East in 2007/08 is slightly higher than in the full 2006/07 year, while in England it is slightly lower.

As at Period 9, the total number of 16–18 year olds starting Apprenticeships in the region in 2007/08 is at 62 per cent of starts in 2006/07, compared with the national average of 65 per cent. Period 9 figures suggest an upturn in starts compared with earlier periods in 2007/08.

519 A shift towards Advanced Apprenticeships is apparent among 16–18 year olds in the North East. The latest available data shows that 63 per cent of 16–18 year olds in Apprenticeships in the North East in 2007/08 were on Level 2 Apprenticeship programmes, compared with 66 per cent in 2006/07.

More significantly, the data shows that 69 per cent of Apprenticeship starts by young learners in the region in 2007/08 were in Level 2 Apprenticeships, down from 76 per cent in 2006/07.

16–18 year olds in Level 2 Apprenticeships

520 The number of 16–18 year olds in Level 2 Apprenticeships in the North East fell by 11 per cent between 2005/06 and 2006/07, compared with a fall of 7 per cent across England.

¹³¹ LSC Individualised Learner Record Period 9 2007/08.

The number of young people starting Level 2 Apprenticeships in the region fell by 8 per cent, compared with an increase of 5 per cent across England.

- 521 The latest available data shows that the number of 16–18 year olds in Level 2 Apprenticeships in the North East up to Period 9, 2007/08 is down 4 per cent on the full 2006/07 year, compared with 1 per cent nationally.

The number of young learners starting Level 2 Apprenticeships in the region is down 43 per cent, compared with 37 per cent in England.

- 522 The latest available data shows that 50 per cent of the 16–18 year olds on Level 2 Apprenticeship programmes in the North East in 2007/08 were female, and 50 per cent male. This contrasts with the picture across England as a whole, where 42 per cent of young learners were female, and 58 per cent male.

- 523 Just over 1 per cent of the 16–18 year olds on Level 2 Apprenticeship programmes in the North East in 2007/08 were from BME communities.

- 524 Around 13 per cent of young people in Level 2 Apprenticeships in the region in 2007/08 considered themselves to have a learning difficulty and/or disability. This was in line with the proportion nationally.

- 525 The latest available data suggests that the number of 16–18 year olds in Level 2 Apprenticeships in Northumberland up to Period 9 in 2007/08 was down 17 per cent on the full 2006/07 year, the most significant fall in the region. Tees Valley also saw a notable fall in learner numbers (10 per cent).

By comparison, the number of 16–18 year olds in Level 2 Apprenticeships in County Durham was down by just 1 per cent over the same period, while learner numbers in Tyne and Wear increased by 1 per cent.

16–18 year olds in Advanced Apprenticeships

- 526 The number of 16–18 year olds in Advanced Apprenticeships in the North East rose by 10 per cent between 2005/06 and 2006/07, compared with a fall of 3 per cent across England.

Over the same period, the number of young people starting Advanced Apprenticeships in the region increased by 13 per cent. This compares with an increase of 11 per cent across England.

- 527 The latest available data shows that the number of 16–18 year olds in Advanced Apprenticeships in the North East up to Period 9 in 2007/08 was up 8 per cent on the full 2006/07 year, while across England as a whole there has been no increase.

The number of young learners starting Advanced Apprenticeships was down 21 per cent, compared with the national average of 29 per cent.

- 528 In part, the increase in learner numbers reflects the introduction of new provision through Open Competitive Tendering, which to some extent has focused on increasing opportunities in Advanced Apprenticeships in order to improve progression from Level 2, particularly among learners from academic routes.

Increasing participation in Advanced Apprenticeships is also believed to reflect improving literacy and numeracy among young people. Providers are

reported to find Advanced Apprenticeships easier to deliver if a learner already has key skills through GCSEs, and are recruiting more learners as a result of improved attainment in Key Stage 4.

- 529 The latest available data shows that 27 per cent of the 16–18 year olds in Advanced Apprenticeships in the North East in 2007/08 were female, and 73 per cent male. Nationally, the data suggests that just 19 per cent of young learners were female, and 81 per cent male.
- 530 Just over 1 per cent of the 16–18 year olds on Advanced Apprenticeship programmes in the North East in 2007/08 were from BME communities.
- 531 Some 6 per cent of young people in Advanced Apprenticeships in the North East in 2007/08 considered themselves to have a learning difficulty and/or disability, in line with the national average.
- 532 The latest available data suggests that the number of 16–18 year olds people in Advanced Apprenticeships in Northumberland up to Period 9 in 2007/08 was down 15 per cent on the full 2006/07 year.

In contrast, learner numbers rose elsewhere in the region. Tees Valley saw the most significant rise (13 per cent), followed by Tyne and Wear (7 per cent). The increase in the number of 16–18 year olds in Advanced Apprenticeships in County Durham was more modest (2 per cent).

Adults aged 19 and over

- 533 The total number of adults aged 19–24 year old in Apprenticeships (including those who started their programme in previous years) in the North East fell by 8 per cent between 2005/06 and 2006/07, compared with a fall of 4 per cent across England.

The total number of 19–24 year olds starting Apprenticeships fell by 22 per cent, compared with an increase of 4 per cent in England. This fall was largely manifested in a decline in the number of adults starting Level 2 Apprenticeships.

Table 8: Adults aged 19 and over in Apprenticeships, North East, 2005/06–2007/08

	2005/06		2006/07		2007/08 year to date	
	Learners	Starts	Learners	Starts	Learners	Starts
Level 2 Apprenticeships	2,296	2,529	1,972	1,721	1,788	1,005
Advanced Apprenticeships	2,302	1,662	2,247	1,543	2,337	994
All Apprenticeships	4,598	4,191	4,218	3,264	4,125	1,999

Source: LSC Corporate Reports

- 534 The most recent data¹³² remains incomplete for adults aged 19 and over in Apprenticeships in 2007/08. A further difficulty with comparing performance in 2007/08 with previous years is the broadening of the Apprenticeship offer to adults aged 25 and over from 2007/08. The available data does not distinguish between apprentices aged 19–24 and those aged 25 and over.

¹³² LSC Individualised Learner Record Period 9 2007/08.

535 The available data suggests that as at Period 9 (April) the total number of adult learners in Apprenticeships in the North East in 2007/08 was down 2 per cent on the full 2006/07 year, compared with an increase of 1 per cent in England.

The total number of adult learners starting Apprenticeships in the region in 2007/08 is at 61 per cent of starts in 2006/07, compared with the national average of 55 per cent.

536 A shift towards Advanced Apprenticeships is apparent among adult learners in the North East, reflecting that seen among 16–18 year olds. In part, this reflects take-up by adults aged 25 and over, who have predominantly started Advanced Apprenticeships.

537 The latest available data shows that 43 per cent of adults aged 19 and over in Apprenticeships in the North East in 2007/08 were on Level 2 Apprenticeship programmes, compared with 47 per cent in 2006/07. 50 per cent of Apprenticeship starts by adults aged 19 and over in the region in 2007/08 were in Level 2 Apprenticeships, compared with 53 per cent the previous year.

Adults aged 19 and over in Level 2 Apprenticeships

538 The number of adults aged 19–24 year old in Level 2 Apprenticeships in the North East fell by 14 per cent between 2005/06 and 2006/07, compared with a fall of 9 per cent across England.

The number of 19–24 year olds starting Level 2 Apprenticeships fell by 32 per cent, compared with an increase of 2 per cent across England.

539 The latest available data shows that the number of adults in Level 2 Apprenticeships in the North East at Period 9 in 2007/08 was down 9 per cent on the full 2006/07 year, while learner numbers have not changed in England as a whole.

The number of adult learners starting Level 2 Apprenticeships was down 42 per cent, compared with the national average of 44 per cent.

540 The latest available data shows that 58 per cent of adults aged 19 and over in Level 2 Apprenticeships in the North East in 2007/08 were female, and 42 per cent male. Nationally, 46 per cent of adults in Level 2 Apprenticeships were female, and 54 per cent were male.

541 Just over 1 per cent of adults aged 19 and over in Level 2 Apprenticeships in the North East in 2007/08 were from BME communities.

542 Some 10 per cent of adults aged 19 and over in Level 2 Apprenticeships in the North East in 2007/08 considered themselves to have a learning difficulty and/or disability, compared with the national average of 13 per cent.

543 The latest available data shows the number of adults aged 19 and over in Level 2 Apprenticeships in Tyne and Wear at Period 9 in 2007/08 was down 23 per cent on the full 2006/07 year, the most significant fall in the region. Learner numbers were also down in Northumberland, though not by the same extent (9 per cent).

In contrast, the number of adult learners in Level 2 Apprenticeships was up by 2 per cent County Durham, and up by 5 per cent in Tees Valley.

Adults aged 19 and over in Advanced Apprenticeships

544 The number of 19–24 year olds in Advanced Apprenticeships in the North East fell by 2 per cent between 2005/06 and 2006/07, compared with an increase of 1 per cent across England.

The number of 19–24 year olds starting Advanced Apprenticeships fell by 7 per cent, compared with an increase of 8 per cent across England.

545 The latest available data shows that as at Period 9, the number of adults aged 19 and over in Advanced Apprenticeships in the North East in 2007/08 was 8 per cent higher than in the full 2006/07 year, while across England as a whole there has been no increase.

The number of adults aged 19 and over starting Advanced Apprenticeships was 36 per cent lower, compared with the national average of 46 per cent.

546 The latest available data shows that 51 per cent of the adults aged 19 and over in Advanced Apprenticeships in the North East in 2007/08 were female, and 49 per cent male. Nationally, the data shows that 44 per cent of adult learners in Advanced Apprenticeships were female, and 56 per cent were male.

547 Around 1.5 per cent of the adults aged 19 and over in Advanced Apprenticeships in the North East in 2007/08 were from black and minority ethnic communities.

548 Some 10 per cent of adults aged 19 and over in Advanced Apprenticeships in the North East in 2007/08 considered themselves to have a learning difficulty and/or disability, in line with the national average.

549 The latest available data shows that the number of adults aged 19 and over in Advanced Apprenticeships in Northumberland at Period 9 in 2007/08 was down 3 per cent on the full 2006/07 year.

In contrast, learner numbers rose elsewhere in the region. County Durham saw the most significant rise (11 per cent). Increases were more modest in Tyne and Wear (4 per cent) and Tees Valley (1 per cent).

Adult Apprenticeships

550 Adult Apprenticeships extend the Apprenticeship offer to those over 25 years old. The priority groups for Adult Apprenticeships include:

- those without employment, including those on Incapacity Benefit, who are seeking to train or retrain in order to enter long-term employment
- individuals who are seeking to enter an atypical career, and
- adults working in sectors that have been identified as local, regional or national priorities, who have gaps in their existing skills or knowledge, or who lack formal skills qualifications, including those who wish to complete an Apprenticeship after achieving NVQs at Level 2 or Level 3 in Train to Gain.

551 The latest available data¹³³ shows that there were an average 825 adults aged 25 and over in Adult Apprenticeships in the North East in each reporting

¹³³ LSC Individualised Learner Record Period 12 2007/08.

period in 2007/08. Take-up has been higher in Advanced Apprenticeships than in Apprenticeships at Level 2.

- 552 In the region, and nationally, the take-up of Adult Apprenticeships has exceeded all assumptions. The LSC's new contracting flexibilities for Apprenticeships and Train to Gain have increased progression routes for adults aged 25 and over and this is proving successful in engaging adults in further skills development.

Programme-led Apprenticeships

- 553 The Apprenticeship programme is primarily intended for young people in employment. However, the number of young people interested continues to outstrip the number of places available to young people in work, and there is therefore a need for a programme-led route that prepares young people for when an appropriate employment-led place becomes available.
- 554 Programme-led Apprenticeships (PLAs) allow young people who cannot find an employer, or who prefer to start in an off-the-job setting, the chance to follow the same curriculum as an Apprenticeship. Importantly, PLAs provide opportunities for atypical entrants or for those who may not yet be confident enough to move into employment.
- 555 In many cases, Programme-led Apprenticeships in the North East are offered to learners who have not succeeded in formal education settings. Often, providers offering PLAs traditionally work with disadvantaged client groups, though there are also examples of high performing providers who commit to finding an employer within six weeks of the learner starting.
- 556 Programme-led Apprenticeships are also an important part of the Apprenticeship entitlement. With the entitlement comes a requirement to find places for all young people aged 16–18 who wish to take up an Apprenticeship. We cannot hope to exactly match supply to demand. PLAs offer a buffer between supply and demand, helping in the event of an economic downturn affecting Apprenticeship numbers.
- 557 The latest available data¹³⁴ suggests that in 2007/08, some 1,070 learners were undertaking PLAs funded through Work Based Learning, a reduction of 27 per cent on the previous year. In addition, some 112 PLAs were funded through FE¹³⁵.
- 558 An Apprenticeship cannot be achieved entirely through a PLA – a period of employment must be undertaken before achievement is completed and rewarded. Programme-led Apprenticeships should therefore be followed by an employed phase, during which time the apprentice demonstrates practical skills in a real working situation.
- 559 Success for learners in the target cohort means getting a job, preferably with an Apprenticeship, and not just achieving their qualifications. Providers are expected to focus on progression into employment. We must also carefully manage the number of PLAs and the sectors in which they are offered, in order to avoid an oversupply of part-trained apprentices for whom no employer can be found.

¹³⁴ LSC Individualised Learner Record F04/Period 12 2007/08.

¹³⁵ Programme-led Apprenticeships in FE are not included in the analysis in this chapter.

Train to Gain

560 Our learner data does not yet reflect the new Demand Led Funding models. The term 'Train to Gain' has a broader definition in the new models, and includes NVQs previously delivered in the workplace through FE funding as well as the Type B (planned but subject to employer choice) and Type C (rapid response) provision previously funded through the discrete Train to Gain budget.

From 2008/09, Train to Gain is funded from the Employer Responsive budget.

561 Some 2,380 employers in the North East were engaged in Train to Gain between August 2007 and June 2008 (that is, referred to providers by Skills Brokers)¹³⁶. 86 per cent of employers engaged in Train to Gain were not recognised as Investors in People and had not recently accessed vocational training leading to a qualification, and were therefore considered hard to reach. Engagement with hard to reach employers in the North East was the second highest of any region and well above the national average (74 per cent).

562 Referrals by Skills Brokers showed a different pattern to the national average over this period. Higher than average proportions of employers engaged in Train to Gain in the North East were referred to a business-to-business network, a generalist broker or to a non-LSC provider. Significantly fewer than average were referred to an LSC provider (15 per cent, compared with 47 per cent in England).

563 83 per cent of employers engaged in Train to Gain in the region between August 2007 and June 2008 were satisfied with the brokerage services they received over this period, in line with the national average.

564 Some 16,170 adults started learning through Train to Gain between August 2007 and June 2008, an average of around 1,400 a month. The number of starts is at 109 per cent against profile at June 2008, the second highest of any region and well above the average of 73 per cent.

565 By far the biggest driver of learner participation in Train to Gain is the opportunity to gain a qualification (nationally, 93 per cent of learners). Other motivations include a desire on the part of learners to improve their skills for their current job and to improve their standing in the labour market¹³⁷.

566 Some 56 per cent of learners starting Train to Gain programmes in the North East between August 2007 and June 2008 were male, and 44 per cent female.

567 Adults starting Train to Gain programmes between August 2007 and June 2008 had a slightly older age profile than the national average. 30 per cent of learners in the North East were aged 46 or over, compared with 28 per cent in England. This proportion, however, remains well below the proportion of older adults in the region's workforce as a whole.

¹³⁶ LSC Train to Gain Regional Data Book, Period 11 (August 2007– June 2008).

¹³⁷ LSC, 2008f.

- 568 Some 2 per cent of adults starting Train to Gain programmes between August 2007 and June 2008 were from black and minority ethnic communities. A similar proportion were adults whose ethnicity was not known.
- 569 Around 3 per cent of adults starting Train to Gain programmes in this period were learners with learning difficulties and/or disabilities, below the national average (6 per cent). The low proportion of learners in Train to Gain programmes who have learning difficulties and/or disabilities reflects the relative disadvantage this group faces in terms of employment.
- 570 Almost 80 per cent of adults starting Train to Gain programmes between August 2007 and June 2008 were learning towards a full Level 2 qualification. 3 per cent were learning towards a full Level 3, and 11 per cent were engaged in Skills for Life provision. The number of adults starting Level 2 programmes is at 109 per cent of profile at June 2008, the second highest of any region and well above the national average of 78 per cent.
- 571 Around 40 per cent of the region's Train to Gain providers have other contracts with the LSC, for example for Apprenticeship delivery. This suggests there is scope to expand the Train to Gain provider base by bringing in more providers who are delivering other learning funded by the LSC. Although it is not entirely clear how much potential there is to grow the provider base, or to broaden the offer from providers already delivering Train to Gain provision, we believe that we are some way off saturation point.
- 572 The North East has around 130 Train to Gain providers, more than any other region in relation to its size, delivering a broad spread of provision across a range of sectors. New providers are brought in as and when required to meet demand, even when initially this may not be cost-effective (such as for very small numbers of learners).
- 573 Our approach to contracting Train to Gain provision is to award modest contracts at the start, with options to grow these contracts based on performance. This works particularly well with private providers, but not so well with FE colleges, who can be less inclined to invest in delivery given what they perceive as a limited budget. Generally, however, our providers understand that we will respond quickly and positively as soon as evidence of their activity justifies an increase in contracted delivery.
- 574 Most FE colleges in the region are delivering well below capacity across their Train to Gain provision – at Level 2, Level 3 and in Skills for Life. We are in discussions with partners to address this. The shift to the Employer Responsive funding model may help address performance issues. The voluntary accreditation system for providers' employer engagement staff may also help.
- 575 Successes at provider level are often based on selling training to employers as the basis for business improvement. 74 per cent of employers taking up training under Train to Gain report that they have seen an improvement in the skills of employees, and 42 per cent say that the training they have engaged in through Train to Gain has had a beneficial impact on the bottom-line or

profitability of their business¹³⁸. Building on work undertaken in the context of Apprenticeships, we are working with Train to Gain providers to improve their marketing and sales skills, delivery performance and employer engagement.

- 576 Key challenges for Train to Gain in the North East include the need to manage the rapid expansion of provision set out in *A Plan for Growth*¹³⁹ and the additional flexibilities introduced from 2008/09; the need to manage the transition of skills brokerage to One NorthEast; the need to increase Level 3 delivery while maintaining delivery at Level 2; and the need to manage the efficient and effective use of ESF funding to enhance the Train to Gain offer.
- 577 We believe that we will continue to build on the performance achieved so far in Train to Gain. The new flexibilities will increase the scope of the offer to employers in the region, allowing providers to add the full Apprenticeship framework to the achievement of an NVQ. Discussions with providers show that there is significant demand for second Level 2 qualifications and some potential to expand provision at Level 3. The relaxation of eligibility criteria around Skills for Life will widen the scope of provision. Sector Compacts are also expected to increase the opportunities for providers, especially in the manufacturing sector.

Skills Pledge

- 578 The Skills Pledge is a voluntary, public commitment by the leadership of a company or organisation to support all its employees to develop their basic skills, including literacy and numeracy, and to work towards relevant, valuable qualifications at Level 2 and above. The Skills Pledge is open to all employers of all sizes in the private, public and voluntary sectors. Its purpose is to ensure that all staff are skilled, competent and able to make a full contribution to the success of the organisation.
- 579 The Skills Pledge was introduced in June 2007. By June 2008, 40 employers in the North East had signed the Skills Pledge, covering 122,300 employees. Reflecting our initial focus on large public sector organisations, and partly reflecting the relatively small total number of employers in the North East, this is by far the smallest number of any region.
- ConstructionSkills SSC have achieved Skills Pledges from a number of other companies in the North East, taking the total number of pledges in the region to over 100.
- 580 The number of employers signing the Skills Pledge in the North East represents 33 per cent of enquiries about the pledge referred to Skills Brokers in the region. Again, this is the smallest proportion of any region and well below the average across all regions (69 per cent). This also reflects our focus on large public sector organisations, and the size of the task when carrying out skills audits to ascertain the current skills levels of their workforce.
- 581 Currently, there is no strong evidence of the Skills Pledge leading to increased take-up of Train to Gain provision, but we expect to see this as more employers develop an Action Plan. Building on the success of the

¹³⁸ LSC, 2008e.
¹³⁹ LSC, 2007.

Strategic Health Authority Joint Implementation Framework, we are engaging with local authorities to explore the potential for Apprenticeships and Train to Gain to support their Skills Pledge.

Quality of employer responsive provision

Employer satisfaction with learning provision

- 582 The overwhelming majority of employers in the North East who used FE colleges to provide teaching or learning in the year to summer 2007 were satisfied with the quality of the services provided – 83 per cent were either very satisfied or quite satisfied, in line with average satisfaction levels across England¹⁴⁰.
- 583 Satisfaction with other training providers was higher, with 90 per cent of employers who used other training providers reporting that they were very satisfied or quite satisfied.
- 584 Levels of satisfaction with FE colleges varied little depending on the size of the employer. In contrast, smaller employers expressed higher levels of satisfaction with other training providers than larger employers.

Training Quality Standard

- 585 The Training Quality Standard (TQS) is an assessment framework and an assessment and certification process which has been designed to recognise and celebrate the best organisations delivering training and development solutions to employers. The LSC has developed TQS as a new higher standard for the certification of training providers, including those previously recognised as Centres of Vocational Excellence. There are now 250 CoVEs, down from a peak of 400. Providers who were part of a CoVE are eligible for a subsidy towards TQS costs.
- 586 TQS is designed to reflect employers' priorities and expectations in sourcing training and development, and the practices of the providers proven to be the best at delivering them. It allows providers to explain their strategy, the approaches they deploy and the results they achieve, and to submit this for robust assessment with the potential of certification for those meeting the high standards set for capability and performance.
- 587 Following its successful launch in May 2008, over 200 organisations have now embarked on Training Quality Standard accreditation. The majority of these are LSC-funded FE providers, but there is also a growing number of Higher Education Institutions and employers making applications.
- 588 The LSC recognises that achieving the TQS requires a provider to demonstrate exemplary employer responsiveness, and accreditation will be recognised and valued in LSC contracting for employer responsive provision. However, achieving the TQS does not guarantee LSC funding and standard contracting requirements will still apply to TQS accredited providers.

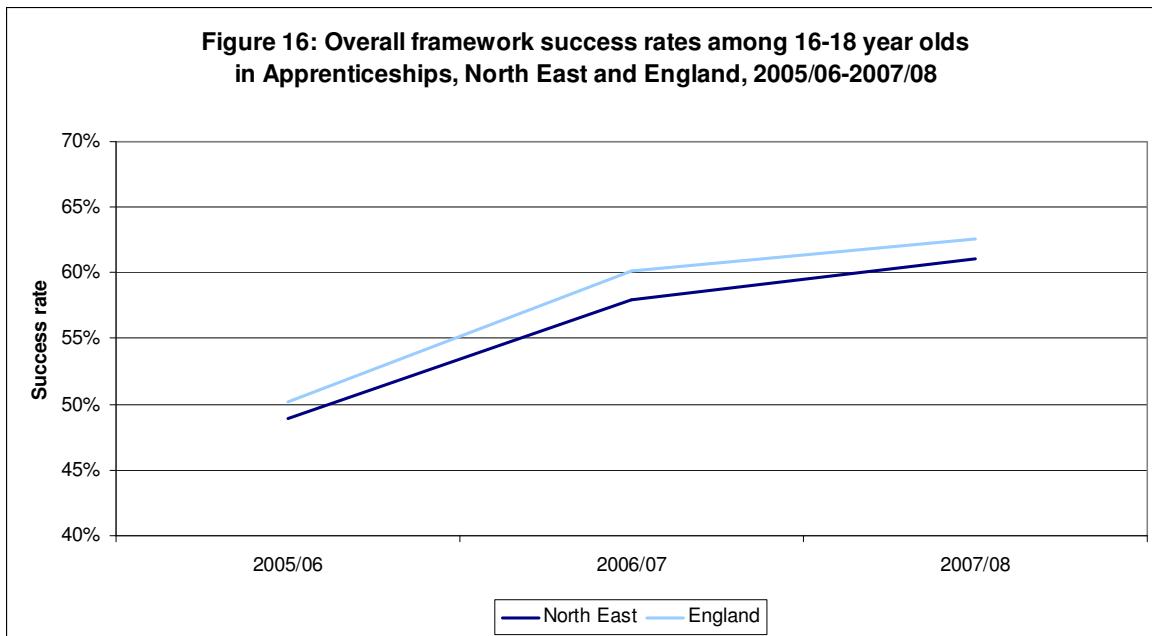
¹⁴⁰ IFF Research, 2008.

589 The Employer Responsive indicator in the Framework for Excellence is based on the TQS, and so achievement of the TQS gives an automatic 'outstanding' assessment in this area¹⁴¹.

Achievement

Apprenticeship success rates: 16–18 year olds

590 The overall framework success rate among 16–18 year olds in Apprenticeships (including Advanced Apprenticeships) in the North East in 2007/08 was 61.1 per cent, slightly below the national average (62.6 per cent). Improvements in overall framework success rates in the North East have followed national trends.



Source: LSC Corporate Reports

591 At provider level, the Quality Improvement Agency identify five main factors in improving framework completions¹⁴²:

- learner recruitment processes
- quality management and assurance systems
- the pattern of programme delivery, including the 'front loading' of taught and tested elements
- employer involvement, and
- staff reviews, recruitment, team building and ongoing professional development.

592 We expect framework success rates to continue to improve as the rigorous implementation of Minimum Levels of Performance continues to reduce the amount of poorly performing provision, and because providers are increasingly careful about recruitment, focusing on learners they believe are

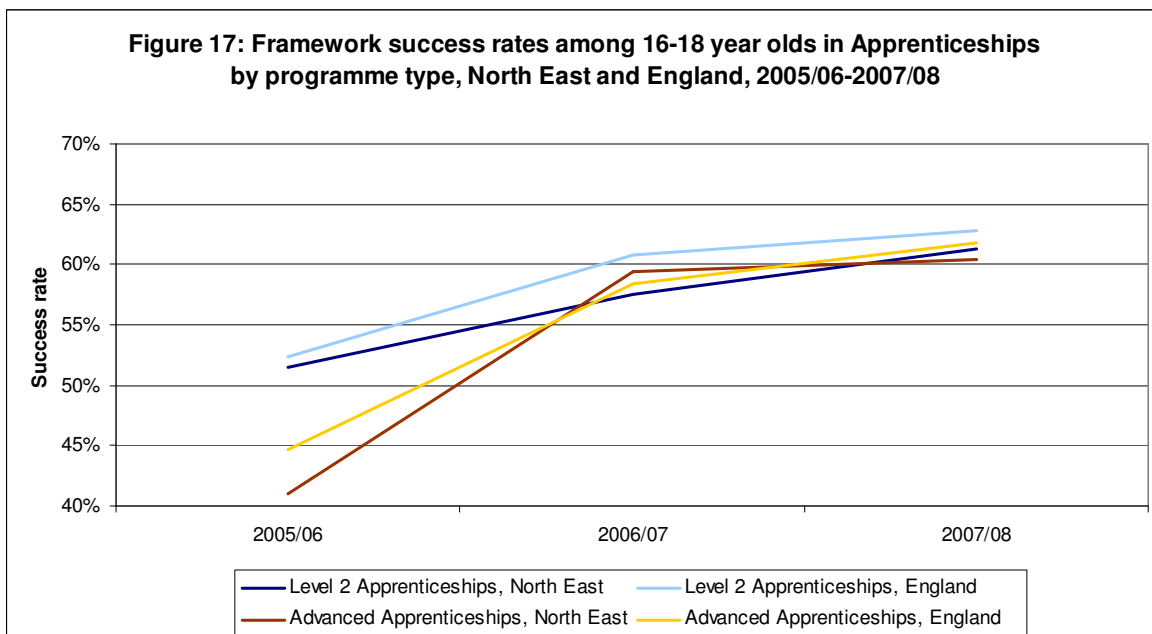
¹⁴¹ LSC, 2008a.

¹⁴² Quality Improvement Agency, 2007a.

capable of achieving a Level 2 Apprenticeship in response to MLP. There is a risk, however, that this may impact on learner numbers.

- 593 Overall framework success rates in the North East are higher among young women (66.1 per cent) than among young men (56.1 per cent). Success rates among 16–18 year old women in the region are above the national average. In contrast, success rates among young men are below average.
- 594 Overall framework success rates among young learners from black and minority ethnic communities (59.5 per cent) are in line with those among white 16–18 year olds (61.0 per cent), largely as a result of faster improvement between 2005/06 and 2006/07.
- 595 Overall framework success rates among young learners with learning difficulties and/or disabilities (49.8 per cent) are well below success rates among those without (62.5 per cent). Framework success rates among 16–18 year olds with learning difficulties and/or disabilities in the North East are well below the national average.
- 596 Between 2006/07 and 2007/08, overall framework success rates among young learners showed the most significant improvement in Northumberland and Tees Valley. Success rates among 16–18 year olds in both sub-regions are above average (both 65.2 per cent).

Overall framework success rates among young learners showed only slight improvement in Tyne and Wear, and success rates in the sub-region remain well below average (58.2 per cent). Framework success rates declined among young learners in County Durham, and have also slipped below average (60.0 per cent).



Source: LSC Corporate Reports

- 597 Framework success rates among 16–18 year olds in Level 2 Apprenticeships remain lower in the North East (61.4 per cent in 2007/08) than in England

(62.8 per cent), though steadier improvement in the region suggests that the gap is closing.

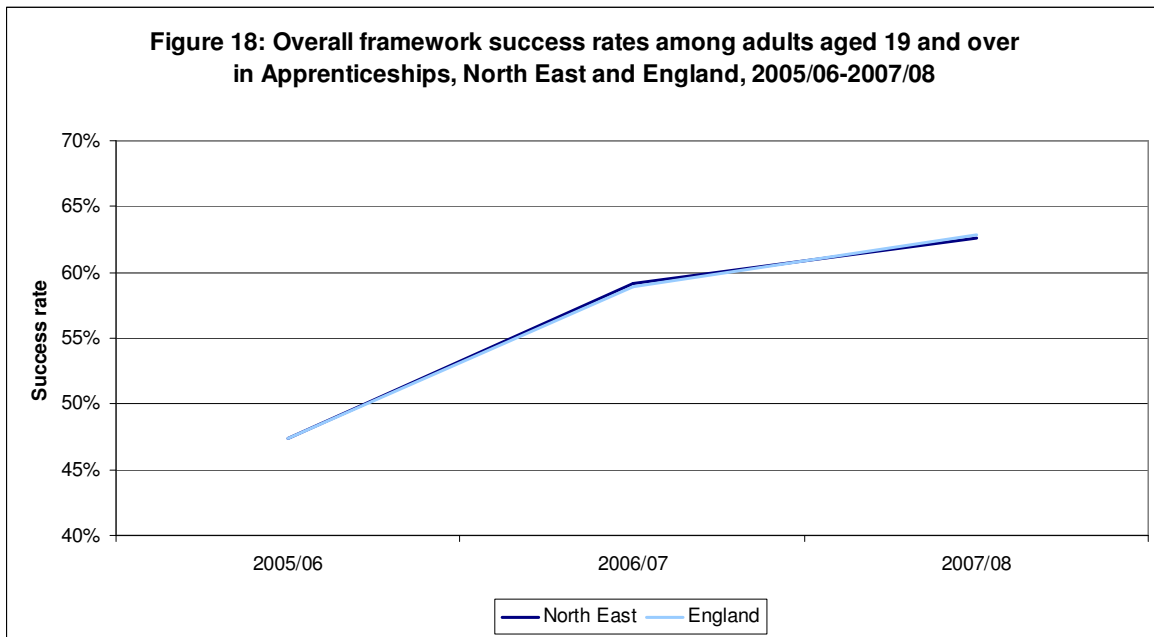
- 598 Framework success rates in Level 2 Apprenticeships in the North East are higher among young women (65.8 per cent) than among young men (55.9 per cent). Success rates are improving more quickly among young women than among young men, and this gender gap is widening.
- 599 Framework success rates in Level 2 Apprenticeships among young learners from black and minority ethnic communities are improving more quickly than those among white 16–18 year olds. Success rates among young learners from BME communities (63.6 per cent) are now higher than those among white learners (61.3 per cent).
- 600 Framework success rates in Level 2 Apprenticeships among young learners with learning difficulties and/or disabilities are not improving as quickly as success rates among those without. Framework success rates among 16–18 year olds with learning difficulties and/or disabilities (50.2 per cent) are well below success rates among those without (63.0 per cent).
- 601 Between 2006/07 and 2007/08, framework success rates in Level 2 Apprenticeships showed the most significant improvement among young learners in Northumberland and Tees Valley, and are above average in both sub-regions (62.1 per cent and 65.9 per cent respectively).
- Framework success rates in Level 2 Apprenticeships showed only slight improvement among young learners in Tyne and Wear, and success rates in the sub-region are below average (60.2 per cent). Success rates declined in County Durham, and have also slipped below average (57.4 per cent).
- 602 Framework success rates among 16–18 year olds in Advanced Apprenticeships in the region improved less quickly between 2006/07 and 2007/08 than the national average. Success rates among young learners in Advanced Apprenticeships in the North East (60.5 per cent in 2007/08) have fallen below those in England (61.8 per cent).
- 603 Framework success rates in Advanced Apprenticeships in the North East are higher among young women (67.3 per cent) than among young men (56.5 per cent). Between 2006/07 and 2007/08, success rates in Advanced Apprenticeships improved among young women while declining among young men.
- 604 Framework success rates among young learners with learning difficulties and/or disabilities in Advanced Apprenticeships declined between 2006/07 and 2007/08, while showing improvement among those without. Success rates among 16–18 year olds with learning difficulties and/or disabilities in Advanced Apprenticeships in the North East (47.5 per cent) are well below success rates among those without (61.2 per cent), and are also well below the national average.
- 605 Between 2006/07 and 2007/08, framework success rates in Advanced Apprenticeships showed the most significant improvement among young learners in Northumberland, and are now well above average in the sub-region (80.9 per cent). Success rates also improved in County Durham and

Tees Valley, and are above average in both sub-regions (70.7 per cent and 63.3 per cent respectively).

Framework success rates declined among young learners in Advanced Apprenticeships in Tyne and Wear, and success rates in this sub-region remain below average (53.6 per cent).

Apprenticeship success rates: adults aged 19 and over

606 The overall framework success rate among adults aged 19 and over in Apprenticeships (including Advanced Apprenticeships) in the North East in 2007/08 was 62.6 per cent, in line with the national average (62.8 per cent). As among 16–18 year olds, improvements in overall framework success rates among adult learners have closely followed the national trend.



Source: LSC Corporate Reports

607 Overall framework success rates in the North East are lower among adult women (61.9 per cent) than among adult men (63.5 per cent), having shown slower improvement between 2006/07 and 2007/08.

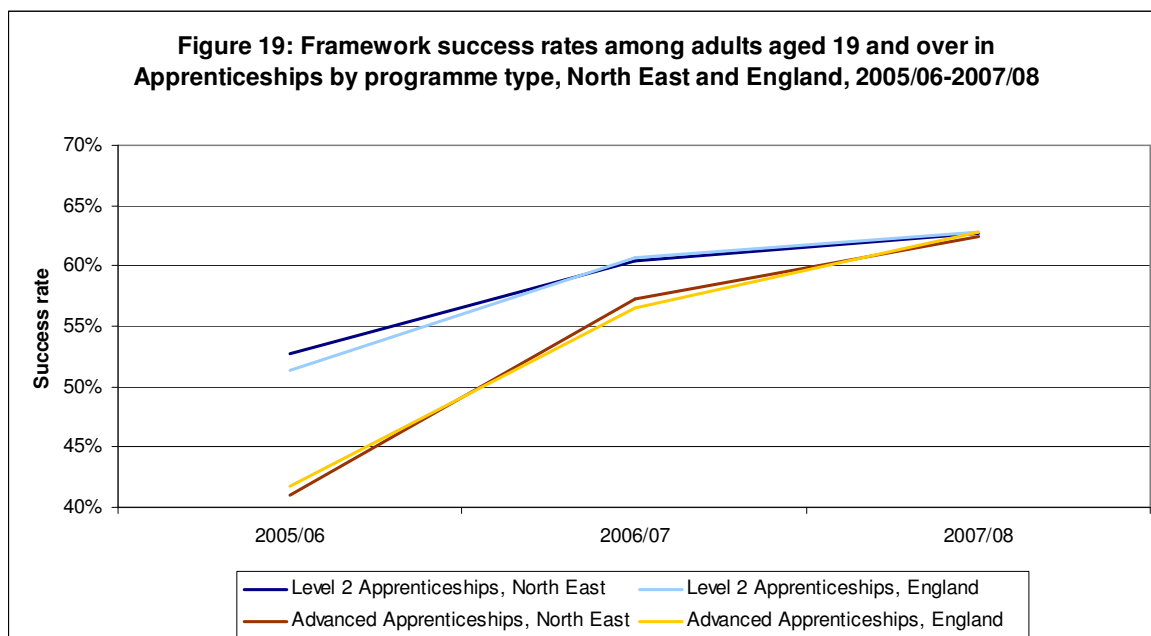
608 Overall framework success rates among adult learners from black and minority ethnic communities (57.1 per cent) are below those among white adults (62.7 per cent). Success rates among adult learners from BME communities are improving at a similar rate to those among white adults.

609 Overall framework success rates among adult learners with learning difficulties and/or disabilities declined between 2006/07 and 2007/08, while showing improvement among those without. Success rates among adults with learning difficulties and/or disabilities (50.0 per cent) are well below success rates among those without (63.6 per cent), and are also below the national average.

610 Between 2006/07 and 2007/08, overall framework success rates among adult learners showed significant improvement in Northumberland. Success rates in the sub-region are well above average (70.6 per cent). Success rates also

improved in Tyne and Wear, though not as dramatically, and are also above average among adult learners in the sub-region (65.5 per cent).

Overall framework success rates among adult learners declined in County Durham, but remain above average (63.2 per cent). Success rates among adults also declined in Tees Valley, where they remain well below average (52.0 per cent).



Source: LSC Corporate Reports

- 611 Framework success rates among adults aged 19 and over in Level 2 Apprenticeships in the North East (62.7 per cent in 2007/08) are close to the national average (62.8 per cent), and show a similar pattern of improvement.
- 612 Framework success rates among adult women in Level 2 Apprenticeships in the North East (64.5 per cent) are higher than those among adult men (60.3 per cent), largely as a result of faster improvement between 2005/06 and 2006/07.
- 613 Framework success rates among adult learners with learning difficulties and/or disabilities in Level 2 Apprenticeships declined between 2006/07 and 2007/08, while showing improvement among those without. Success rates among adults with learning difficulties and/or disabilities in Level 2 Apprenticeships (47.4 per cent) are well below success rates among those without (64.4 per cent), and are also below the national average.
- 614 Between 2006/07 and 2007/08, framework success rates among adult learners in Level 2 Apprenticeships showed significant improvement in Northumberland. Success rates in the sub-region (69.7 per cent) are above average.

Framework success rates showed a smaller improvement among adults in Level 2 Apprenticeships in Tyne and Wear, and declined in County Durham. In both sub-regions, success rates are in line with the regional average (62.5 per cent and 62.6 per cent respectively).

Framework success rates among adult learners in Level 2 Apprenticeships showed a small decline in Tees Valley, where they remain below average (58.5 per cent).

- 615 Framework success rates among adults aged 19 and over in Advanced Apprenticeships in the North East (62.4 per cent in 2007/08) are also close to the national average (62.8 per cent), and again show a similar pattern of improvement.

Historically, framework success rates among adults aged 19 and over in Advanced Apprenticeships have been lower than success rates in Level 2 Apprenticeships. Faster improvement in Advanced Apprenticeships means this gap has closed.

- 616 Framework success rates among adult women in Advanced Apprenticeships in the North East are not improving as quickly as those among adult men. Success rates among adult women (59.2 per cent) are below those among men (66.8 per cent).

- 617 Framework success rates among adult learners with learning difficulties and/or disabilities in Advanced Apprenticeships showed a greater improvement between 2006/07 and 2007/08 than success rates among those without. Nevertheless, success rates among adults with learning difficulties and/or disabilities in Advanced Apprenticeships (55.6 per cent) remain below success rates among those without (62.7 per cent).

- 618 Between 2006/07 and 2007/08, framework success rates among adult learners in Advanced Apprenticeships showed significant improvement in Northumberland. Success rates among adults in the sub-region (71.6 per cent) are above average.

Framework success rates also improved among adults in Advanced Apprenticeships in Tyne and Wear and in County Durham, though to a lesser extent. Success rates are above average in both sub-regions (69.0 per cent and 64.0 per cent respectively).

Framework success rates among adult learners in Level 2 Apprenticeships showed a small decline in Tees Valley, where they remain well below average (47.9 per cent).

Performance against PSA targets: Framework completions

- 619 Working towards the Leitch ambition for 400,000 Apprentices in England by 2020, the Government has set an interim target for 130,000 learners (of any age) to complete the full Apprenticeship framework in England in 2010/11.

- 620 The baseline for measuring progress towards the national target is 98,000 full Apprenticeship framework completions in 2005/06. The target requires an increase in framework completions of 33 per cent between 2005/06 and 2010/11, or 8.2 per cent per year.

An equivalent percentage point increase requires 7,554 framework completions in the North East in 2010/11, from a baseline of 5,680 in 2005/06.

- 621 Historically, increases in the number of framework completions have been achieved in spite of falling learner numbers, due to improving framework

success rates. Analysis suggests that meeting the national target will require an increase in participation, as well as continued improvement in success rates.

Achievement in Train to Gain provision

622 Some 9,110 adults in the North East achieved a Level 2 qualification through Train to Gain between August 2007 and June 2008, including 610 who achieved a qualification at a higher level without first achieving a Level 2.

Level 2 achievements in Train to Gain were at 145 per cent against profile at June 2008, and 124 per cent against profile for the full year – significantly higher than in all other regions, and twice as high as national averages (70 per cent and 60 per cent respectively).

623 Some 20 adults in the region achieved a full Level 3 qualification over the same period. 1,250 adults achieved Skills for Life qualifications. Skills for Life achievements were at 87 per cent against profile at June 2008, well above the national average of 68 per cent.

624 Nationally, around three quarters of learners feel that training delivered through Train to Gain has benefited both them and their employer. Of those who have completed a qualification, 73 per cent say they have gained skills that help them do their current job better, and 81 per cent say they have gained skills that will help them do a better job in future. Some 70 per cent plan to stay with their current employer for the foreseeable future.

625 69 per cent of learners in Train to Gain provision hope to continue studying for further qualifications. Interest in further learning is higher among those who have had a discussion about their progression options¹⁴³.

¹⁴³ LSC, 2008f.

Integrated employment and skills

- 626 In response to the recommendations of the Leitch Review, and building on the success of Welfare to Work, the Government has set out its intention to create an integrated employment and skills system that helps people move seamlessly from state benefits to training and on to sustainable employment¹⁴⁴. This system is planned to be fully implemented nationally by 2010.
- 627 The Regional Employability Framework provides the context for implementing this integrated employment and skills system in the North East¹⁴⁵. Building on the partnership work to develop the REF, and the strengthening of national LSC policy in areas such as Skills for Jobs, the region is making good progress in building capacity towards implementing integrated employment and skills.

Skills for Jobs

- 628 Skills for Jobs (SfJ) is an umbrella term for a suite of pre-employment activities to support the workless and/or economically inactive, including Jobcentre Plus customers, into sustainable employment. It includes:
- The Employability Skills Programme (ESP), with a £2,440,500 budget for the North East in 2008/09, will support 1,440 adults aged 18 and over referred by Jobcentre Plus.
 - Regionally commissioned, discretely funded Skills for Jobs projects for workless and/or economically inactive adults aged 19 and over, worth some £1.65 million in the North East.
 - Regionally commissioned ESF co-financed activities worth £16.1 million between 2008 and 2010. Most ESF Skills for Jobs contracts are expected to start between autumn 2008 and January 2009. New ESF funding released for the period to 2013 is expected to further support additional Skills for Jobs activities.
 - Activities funded out of the Adult Learner Responsive budget, such as Preparation for Work and Life. Throughout 2008, DIUS have issued a number of policy statements that require the LSC and its providers to use mainstream Adult Learner Responsive funding to assist workless people into work.
 - Activities funded out of the Adult Safeguarded Learning budget, such as Neighbourhood Learning in Deprived Communities. Up to 70 per cent of NLDC funding is targeted through the Voluntary and Community Sector on Skills for Jobs activity. Where this is not the case, our local partnership teams are working with providers to refocus the provision.
- 629 The Employability Skills programme gives low skilled unemployed people access to flexible training leading to Skills for Life and employability qualifications. The programme is reliant on referrals from Jobcentre Plus (unlike, for example, ESF programmes targeted at similar groups). The

¹⁴⁴ DIUS/DWP, 2007.

¹⁴⁵ For more information on the Regional Employability Framework, see <http://www.onenortheast.co.uk/page/employability.cfm>.

programme is under-performing, though performance issues are not restricted to the North East.

The Employability Skills programme is specifically intended for JCP customers, but the LSC is responsible for ensuring its targets are met. Referrals from JCP were low in 2007/08 but new referral arrangements are being introduced in 2008/09 to address this issue. It is expected that a significantly higher proportion of learners will achieve basic skills qualifications, employability awards and be supported into employment.

- 630 With the £1.65 million Skills for Jobs budget, we have contracted with 14 providers to deliver target outputs of 1,100 learners – including 365 progressing into employment and 550 into further learning – between January 2008 and March 2009. So far, performance against these targets is mixed. All contracted providers have engaged the target number of learners, but there is some way to go before reaching the jobs and learning outcome targets.
- 631 The LSC and Jobcentre Plus commissioned their respective 2007–2010 ESF Priority 1 activities (aimed at helping unemployed and economically inactive people into employment) based on the funding gaps identified in the Regional Employability Framework. A strong emphasis has been placed on ESF-funded providers to ensure the implementation of progression pathways that result in learners being supported in their journey from worklessness into sustainable employment, including support through Train to Gain.
- 632 The LSC is currently gathering evidence to demonstrate partnership working between Jobcentre Plus providers, LSC-funded Skills for Jobs providers and Train to Gain providers. Work is underway in the region to strengthen links between pre-employment training and Train to Gain, including the introduction of active referral mechanisms for employers recruiting Jobcentre Plus customers (which already exist for large scale recruitment, but not for individual or small scale recruitment), increasing Skills for Life provision in Train to Gain, and encouraging provider partnerships to support learner progression to Train to Gain programmes.

Local Employment Partnerships

- 633 Local Employment Partnerships aim to secure more employment opportunities for disadvantaged Jobcentre Plus customers. The LSC is committed to supporting pre-employment training required to assist recruitment to these vacancies, where the employer makes a commitment to the Skills Pledge. The regional target is for 6,300 Jobcentre Plus customers to find employment by March 2009, with an assumption that half of these will need training. JCP progress towards the target is slow, and referrals to LSC training provision are low.

Information, advice and guidance

- 634 Two types of information, advice and guidance are supported by the LSC.
- Discrete adult IAG services are contracted by the LSC and comprise nextstep (local telephone and face-to-face services, accessed through a regional telephone access point) and the national careers advice service

(a national telephone and web-based service, formerly learndirect advice).

- Embedded IAG services are provided as a matter of course within every learning environment.

635 The existing discrete services are to be replaced by a universal adult careers service, fully operational from 2010/11, which will bring together nextstep and learndirect advice, working with Jobcentre Plus.

636 From 1 August 2008, all adults will be able to access the adult careers service either online, over the telephone or face to face. The service will be co-located with Jobcentre Plus where appropriate. Previously, the core client group for discrete IAG provision was those individuals who were yet to achieve their first full Level 2 or Level 3.

637 More than 82,250 information sessions were delivered by discrete IAG providers in the North East in the year from August 2007 to July 2008¹⁴⁶.

- 14,448 sessions were delivered to customers without a Level 2 qualification. This was 94 per cent of the regional target, compared with the national average of 88 per cent.
- 1,706 sessions were delivered to customers yet to achieve a Level 3 qualification. This was 132 per cent of the regional target, compared with the national average of 98 per cent.

638 There was a strong gender imbalance in IAG take-up in the region, with 60 per cent of sessions delivered to men and 40 per cent to women. This imbalance was more pronounced than that seen nationally, where 54 per cent of sessions were delivered to men and 46 per cent to women.

639 Some 17 per cent of information sessions were delivered to customers aged 50 and over, slightly higher than the national average (16 per cent).

640 25 per cent of information sessions were delivered to customers from black and minority ethnic communities, well above the national average (7 per cent), and significantly higher than the proportion of the North East's population as a whole who are from BME backgrounds.

641 15 per cent of information sessions were delivered to customers who considered themselves to have learning difficulties and/or disabilities. This was slightly higher than the national average (14 per cent), and in line with key performance indicators for IAG delivery in the region.

642 Delivery to unemployed customers dominated IAG provision, and take-up among unemployed customers was higher than average. 69 per cent of information sessions were delivered to unemployed customers, compared with 63 per cent in England. Just under a quarter of unemployed customers taking up IAG in the region (22 per cent) had been out of work for less than six months, in line with the national average.

18 per cent of information sessions in the region were delivered to customers who were in employment, compared with 23 per cent across England. 9 per cent of information sessions were delivered to economically inactive customers, compared with 11 per cent in England.

¹⁴⁶ LSC IAG Management Information system.

Offender learning and skills

Offenders in the North East

643 Some 14,400 adult offenders serving community orders and released from prison on licence are currently under the supervision of the Probation Service in the North East¹⁴⁷.

- 88 per cent of offenders under supervision in the region are male, and 12 per cent female.
- 35 per cent of offenders under supervision in the North East are aged 17–24 years old. 65 per cent are aged 25 and over.
- Just over 3 per cent of offenders under supervision in the region are from black and minority ethnic communities. The largest BME group among offenders under supervision in the North East are from Asian or Asian British communities.

644 Some 4,800 offenders are currently serving custodial sentences in North East prisons¹⁴⁸.

- 95 per cent of the prison population in the North East are male, and 5 per cent female.
- 13 per cent of the prison population in the region are male young offenders, aged 18–20 years old. Adult males aged 21 and over account for 78 per cent of the prison population. Just under 4 per cent of the prison population are male juvenile offenders, aged 15–17 years old.
- 5 per cent of the prison population in the region are adult women aged 21 and over. Less than 1 per cent are female young offenders, aged 18–20 years old.
- Around 9 per cent of the North East's prison population are from black and minority ethnic communities. The largest BME groups among the prison population in the region are from Black Caribbean and Other Asian communities.
- 33 per cent of the prison population in the North East are from outside the region, predominantly the North West or Yorkshire and Humberside. There are also small numbers of offenders from the North East in prisons outside the region.

645 The National Offender Management Service (NOMS) reports that the Probation Service's caseload is likely to increase in 2008/09. Nationally, there is also likely to be an increased need for custodial places.

646 There is a strong correlation between offending, poor basic skills, and low achievement and truancy at school. Many offenders have very poor experience of education and no experience of stable employment. Lack of employment is one of the major factors associated with re-offending.

647 According to NOMS statistics, 67 per cent of offenders serving custodial sentences in the North East, and 59 per cent of offenders under community supervision in the region, have an identified criminogenic need relating to education, training and employment.

¹⁴⁷ National Offender Management Service, 2008.

¹⁴⁸ National Offender Management Service, 2008. Data excludes offenders serving custodial sentences in HMP Frankland.

- 648 Young Offenders Institutions in the region report higher levels of education, training and employment needs than other prison establishments. In keeping with its role as a resettlement prison, Kirklevington Grange records a much lower level of education, training and employment needs than other prisons¹⁴⁹.
- 649 Offenders identify a number of barriers to engaging in learning and employment. They see a criminal record as a particularly significant barrier, believing employers, employment and learning and skills organisations discriminate against offenders and ex-offenders.
- 650 Many offenders have poor prior educational experience, and are reported to have an innate mistrust of large educational establishments. Some have experience of starting courses but not completing them. Although some are attracted by the possibility of learning new skills, they are unsure of their chances of being accepted on a 'worthwhile' course which may lead to employment.
- 651 Offenders often believe they do not get the support they need to be successful. Many suffer from multiple disadvantages. It can be difficult for offenders to prioritise education or training, let alone employment. There are instances where professionals from support services such as housing associations and health centres provide informal education, training or employment support. Often this support is the factor that determines the likelihood of further re-offending.
- 652 Outside OLASS provision, the providers' understanding of and responsiveness to offender needs is varied. Even providers with a good track record of working with offenders have difficulty in ensuring that the whole curriculum is made available to people with a declared criminal conviction. Known offenders are often channelled into a specialist courses or projects rather than being provided with access to mainstream provision.
- 653 Voluntary and Community Sector providers, Work Based Learning providers and Jobcentre Plus providers often expect a number of their clients to have criminal convictions and so may be better prepared to receive them. As these providers tend to be smaller, and often operate from community venues, they can be more accessible to offenders than mainstream FE providers. Many have good access to work experience opportunities and have flexible enrolment throughout the year. Offenders suggest that these organisations are more 'user-friendly' than large colleges.

Offender learning and skills

- 654 Some 40 per cent of offenders serving custodial sentences in the North East were engaged in Offender Learning and Skills Service (OLASS) provision at the beginning of July 2008, compared with 29 per cent in July 2007¹⁵⁰.
- 655 Over 800 offenders were engaged in Skills for Life provision at the beginning of July 2008.

¹⁴⁹ National Offender Management Service, 2008.

¹⁵⁰ LSC OL1, August 2008; OL1, 2006/07. Participation is expressed as the number of learners engaged as a proportion of Certified Normal Occupancy (CNA). CNA measures prisons' operational (uncrowded) capacity, providing a proxy measure for the offender population.

Some 350 offenders in the region achieved Skills for Life qualifications during July 2008, most commonly at Level 1. 20 per cent achieved at Level 2.

- 656 Skills for Life achievement rates among offenders serving custodial sentences are higher in the North East than in other regions (31 per cent in May 2008, compared with the national average of 24 per cent). Increasing Skills for Life achievements are directly attributable to increased delivery and the embedding of Skills for Life accreditation within wider prison activities, such as prison industries¹⁵¹.
- 657 270 offenders were in ICT-related learning at the beginning of July 2008. 140 offenders achieved ICT-related qualifications during the month. 57 per cent of these achieved a qualification at Level 1, and 24 per cent achieved a qualification at Level 2 or above.
- 658 Around 1,150 offenders were undertaking other learning at the beginning of July 2008. Some 620 offenders achieved qualifications in other learning. 33 per cent of these achieved a qualification at Level 1, and 39 per cent achieved at Level 2 or above. 21 per cent achieved a qualification without an equivalent NVQ level.
- 659 Achievement rates among offenders in non-Skills for Life provision in the North East are slightly higher than the national average (61 per cent in May 2008, compared with 58 per cent in England). Achievement rates in the region are improving more quickly than average, reflecting the increasingly employer-focused vocational training being delivered in the region's prisons.
- 660 Relatively little ring-fenced provision outside Skills for Life programmes is available for offenders serving community sentences. Offenders in the community can access mainstream provision, but many do not do so because of previous negative experiences of formal education. Those that do engage in mainstream provision are usually not required to disclose their criminal convictions, and the available data may well undercount the total number of offenders who are in learning. Nationally, the LSC is looking at ways of counting offenders across all LSC provision. An uplift for mainstream providers with declared offenders on Skills for Life programmes was introduced in August 2007.
- 661 Both in custodial and community settings, we need to ensure that provision meets the needs of all offenders. When women leave prison, for example, their primary objective is often to re-establish the family unit before considering a return to work. Offenders may also have different learning needs according to the length of their sentence or the nature of their offence. Collaboration between providers and agencies such as the Probation Service and Jobcentre Plus is improving, but more needs to be done to better shape the provision on offer to offenders.
- 662 We also need to ensure that learning is relevant to the employment opportunities in the local economy. There is a continuing need to raise North East employers' awareness of the benefits of employing offenders and ex-

¹⁵¹ LSC, 2008c.

offenders, and to increase employer engagement in developing learning provision to ensure that it is fit for purpose.

- 663 With partners, including some large employers in the region, we are developing routeways towards training and employment in construction and in the hotels and catering industry for offenders in custodial and community settings.
- 664 OLASS provision delivered in custodial settings in the region is increasingly responding to regional economic needs. HMYOI Deerbolt, for example, is offering increased fork lift truck driving and plastering courses. Similarly, the new Employer Engagement Unit at HMP Durham is an accredited centre offering the Construction Skills Certificate Scheme (CSCS) Site Health and Safety Card. Such new provision is reported to be popular with prisoners.
- 665 The quality of OLASS provision in the context of the overall prison environment has continued to improve during the period August 2007 to July 2008. Ofsted inspections have highlighted improved standards of teaching and learning, good use of Individual Learning Plans, and the quality of data and of management and leadership. The growth of vocational training has also been praised by Inspectors.

European Social Fund

- 666 The LSC manages a range of contracts co-financed via the European Social Fund and its own matched funding. ESF co-financing funds a diverse range of tailored learning programmes which cannot be provided through our mainstream budgets due to funding restrictions, including programmes designed to meet specific local needs or to tackle equality and diversity issues, basic skills, preparation for work and skills development. ESF-funded programmes are generally small, with a low number of participants. They range from pre-entry level provision to provision at NVQ Level 5.
- 667 We are currently working on closure of the 2000–2006 ESF programme, which was extended to 2008, and commissioning provision funded through the 2007–2013 programme.
- 668 Early indications suggest that the North East has achieved the majority of targets set for the 2000–2008 ESF programme. Expenditure on the programme is forecast at over 90 per cent of the £107 million budget. Over 150 organisations were contracted to deliver through the programme, including FE colleges, universities, local authorities, voluntary organisations, employers and private training providers. Between 2004 and 2008, over 150,000 individuals benefited from ESF and match funded interventions.
- 669 We have secured £63 million of ESF funding for the period 2007–2010. The new programme has two clear strands:
- helping unemployed and economically inactive people into work, and
 - developing the skills of people in employment.
- 670 Through the new ESF programme, we are commissioning the following provision:
- Youth Participation (NEET) – to increase young people’s participation in learning through locally defined and delivered interventions, focusing on provision to support progression into mainstream learning, preventing young people disengaging, providing support during periods of learning transition and re-engaging young people who are not in education, employment or training.
 - Learning for All – to stimulate and support learning and skills development through Union Learning Representatives.
 - Test the Region – to support innovative approaches to identify and engage literacy and numeracy learners in mainstream provision, building on the success of the Test the City initiative in Sunderland which was subsequently adopted in other parts of the region.
 - Enhanced Information, Advice and Guidance – to provide a more intensive level of support than that available from the nextstep service.
 - Skills Solutions – to extend the publicly-funded offer to employers in the private and not-for-profit sectors, where employees are threatened by large scale redundancy or where a clear business case exists to show that the intervention would support business improvement or GVA growth.

- Priority Sector Routeways – to support economically inactive and unemployed people to enter sustainable employment and enhance their career progression in the North East’s regional priority sectors.
- Skills for Jobs – to enhance Integrated Employment and Skills programmes funded through Skills for Jobs, including engaging economically inactive, unemployed and socially excluded people in volunteering by offering accredited training at Level 1, leading to the Personal Best qualification.
- Support for Offender Learning and Skills – to provide additional vocational provision in custodial settings, to provide enhanced IAG services for offenders serving community sentences, and to progress adults furthest from the labour market towards existing learning or employability related provision via community outreach, with a specific focus on offenders, ex-offenders and individuals at risk of offending or re-offending, and including the accreditation of unpaid work where clients are subject to an Unpaid Work Order supervised by the National Probation Service.
- Enhanced Brokerage – to enhance the current level of independent, impartial and informed skills brokerage across the region.
- Enhanced Train to Gain – to enhance the current core Train to Gain offer in the region by supporting additional flexibilities around Apprenticeships, and to provide progression routes into and through employment.
- Leadership and Management – to deliver a Leadership and Management Specialist Programme to support small and medium-sized enterprises to increase their productivity, thereby improving the region’s economic performance.
- Community Grants – To establish a co-ordinating structure to enable small Voluntary and Community Sector organisations that would not otherwise be able to access ESF, to access small grants through simplified application arrangements.

671 The LSC is developing a model to better align strategic decisions, planning and funding for ESF projects with mainstream funding, to provide an integrated approach to monitoring and managing contracts, and to ensure that we regularly share good practice and challenge under-performance.

Performance and quality

Quality

- 672 Ofsted and ALI inspected 17 FE colleges (including four Independent Specialist Colleges) in the North East between April 2005 and March 2008. Overall, colleges in the region are achieving a good profile, with no institutions judged to be inadequate across all of their provision. Inspections have identified a number of strengths in the region, as well as some areas for improvement.
- 673 Inspection reports have highlighted improvements in the quality of teaching and learning in the North East. Most colleges having good standards of teaching and learning with good monitoring procedures in place to ensure that quality is improved and/or maintained. However, inspection reports also suggest there is insufficient focus on monitoring assessment and progress reviews.
- 674 There is a broad range of courses in the region, and good progression routes. Colleges provide a broad curriculum that is meeting the needs of learners and allows opportunities for enrichment. The availability and flexibility of progression routes to higher level courses or elsewhere are recognised by inspectors.
- 675 Support for learners appears to be an integral part of North East colleges' practice, with most inspection reports noting this. Colleges are providing highly effective and responsive support for students. Additionally, they are offering good guidance and good personal and subject support.
- 676 Colleges in the region have well established and highly effective partnerships with, for example, the local community, schools, employers, other agencies and HE providers. These partnerships aim to further college's objectives, promote learning and improve links with local industries and employers.
- 677 Colleges in the North East have developed good strategic and operational approaches to management and leadership. This is demonstrated in day-to-day activity as well as during re-structuring and changes within colleges.
- 678 Good college facilities and learning resources are noted to encourage and support learning.
- 679 Inspection reports suggest that there is inconsistency in quality assurance implementation and self-assessment procedures. Additionally, there is insufficient recording and use of relevant data to support decision making and highlighting improvement indicators is required.
- 680 There is a need to improve the sharing of best practice, as well as staff development in certain areas. Inspectors note that there is no consistency in the sharing (or arrangements for sharing) of good practice between colleges, within colleges and generally between staff. There also appears to be a lack of recent staff training on child protection. In 2007, most of the North East colleges joined together to form Peer Review and Development groups with the primary aim of sharing good practice across a wide range of activities.

- 681 Low retention rates in some courses suggest that colleges need to develop better monitoring of retention. Additionally, success rates are low in certain subject areas and at certain levels of some courses.
- 682 Analysis of Inspection reports suggests that better attention and promotion to equality and diversity is needed. Action planning and compliance with the Race Relations (Amendment) Act 2000 also needs to be considered.

Minimum Levels of Performance

Work Based Learning:

- 683 In 2007/08, 22 WBL providers in the North East did not meet accepted Minimum Levels of Performance. As a result, 40 separate areas of provision were removed from 18 different sector frameworks, equating to 951 learners and approximately £4 million worth of provision.
- 684 In Apprenticeships, 24 programmes were removed in the region. Framework success rates indicate that performance is strong in some sectors including Education and Training, ICT, Engineering and Manufacturing Technologies, and Business Administration and Law. Areas for development include Construction, Arts, Media and Publishing, and Leisure, Travel and Tourism.
- 685 In Advanced Apprenticeships, 16 programmes were removed. Framework success rates indicate that performance in the region is strong in ICT, in Agriculture, Horticulture and Animal Care, in Business, Administration and Law and in Health, Public Services and Care. Areas for development include Education and Training, Retail and Commercial Enterprise and Construction.

Further Education:

- 686 In 2008, the LSC issued Notices to Improve to three General FE Colleges and four Former External Institutions in the region, where 15 per cent or more of short and/or long qualification provision fell below Minimum Levels of Performance. The inclusion of short courses in performance measures for FE has had a negative impact on overall provider performance.
- 687 Long qualifications affected by Minimum Levels of Performance include Information and Communication Technology, Preparation for Life and Work and Languages, Literature and Culture.

Short qualifications affected include Business, Administration and Law, Preparation for Life and Work, and Information and Communication Technology.

Quality improvement

- 688 The Quality Improvement Agency (QIA, soon to become the Learning and Skills Improvement Service) has lead national responsibility for quality improvement in terms of developing current providers and supporting new providers.

- 689 Our Regional Quality Improvement Framework is designed to support the implementation of QIA's current National Improvement Strategy¹⁵². This strategy has three aims:
- All learners in the further education system are equally able to access high quality education and training that equips them with the skills, knowledge and qualifications they need for work and personal fulfilment.
 - Training provision meets employers' business needs and employers can recruit people with the vocational and employability skills needed to increase productivity.
 - The further education system continuously improves so that colleges and providers aspire to and achieve excellence and no provision is unsatisfactory.
- 690 Our Regional Quality Improvement Framework has been well received across the region. The Regional Provider Development Programme is also recognised as good practice. Regionally, we have developed and delivered a Train to Gain Provider Development Programme which has enabled us to support a number of providers through the LSC's contractual requirements. A key success of the programme is that it has enabled new providers to understand LSC requirements in a short space of time, therefore enhancing actual delivery. This development programme has now been adopted by other regions.

Framework for Excellence

- 691 The North East has been closely involved with testing and trialling the Framework for Excellence since its inception. Nationally, a pilot group of 100 providers was selected to pilot the Framework from September 2007 to March 2008, nine of which were involved in the North East.
- 692 The extended vision for the Framework is to:
- support alignment of standards and reduce bureaucracy
 - establish a single set of standard performance indicators for responsiveness, effectiveness and efficiency
 - inform employers' and learners' choices
 - satisfy Awarding Bodies' risk-based monitoring arrangements
 - meet the requirements of Sector Skills Council endorsement
 - provide Local Authorities with clear assessment of 14–19 provision, and
 - underpin the development of measures of collaborative provision and partnership working.
- 693 The first release of the Framework for Excellence, Version 1, has been launched and will be reported on in 2008/09. The Framework will be rolled out over three versions, with the final version released in June 2010. Version 1 applies to General FE Colleges, Sixth Form colleges, Work Based Learning providers and Train to Gain providers.

¹⁵² Quality Improvement Agency, 2007b.

Qualifying teachers in post-16 education and training

- 694 In September 2007, a new suite of qualifications for the post-16 training sector were introduced to legitimise and improve the quality of teachers, tutors, and trainers in the sector. The new qualifications ensure that all new teachers work towards Qualified Teacher in the Lifelong Learning Sector status (QTLS), similar to Qualified Teacher Status (QTS) in the pre-16 sector.
- 695 From September 2007, all staff who are new to teaching and not already qualified to teach are required to achieve the new qualifications. Providers are no longer able to recruit staff with extensive sector or industry experience and allow them to teach without first achieving the new qualifications.
- 696 In practice, this means achieving a Certificate in Teaching in the Lifelong Learning Sector (CTLLS), or a Diploma in Teaching in the Lifelong Learning Sector (DTLLS). An entry-level Preparing to Teach in the Lifelong Learning Sector (PTLLS) qualification is also available.

Once a teacher has achieved the Diploma they can register with the Institute for Learning (IFL), receive their licence to practice and start their professional development towards QTLS status.

- 697 Currently, the progression route through these new qualifications is only clear for new entrants to the sector. There are difficulties relating to the accreditation of prior learning and qualifications among existing teaching staff, given the huge range of qualifications that previously allowed entry into post-16 teaching. Lifelong Learning UK, the SSC for the sector, have rationalised acceptable qualifications, and as a result some providers are finding that some of their tutors do not hold qualifications recognised by the Institute for Learning. The new qualifications are also impacting on recruitment of teaching staff.

Learner satisfaction

- 698 North East learners' satisfaction with their learning experience continues to be very high. Nine out of every ten learners surveyed in 2007 were satisfied with their learning experience. This is similar to previous years, and represents a steady increase in satisfaction levels since 2001/02¹⁵³.
- 699 A similar proportion of learners expressed satisfaction with the quality of teaching. Learners were also positive about specific aspects of teaching – in particular, the teacher's knowledge of the subject, the planning and organisation of lessons, and how teachers related to the learner as an individual. Three in four learners said they would speak highly of their learning provider.
- 700 Not surprisingly, learners who had left the course early or failed the course were less satisfied with their learning experience than other learners.
- 701 Satisfaction levels were highest among those studying at lower levels, among older learners, and among white learners.
- 702 Learners are positive about the benefits of learning, especially about gaining new job-related skills and helping them to move forward in their career.

¹⁵³ Ipsos MORI, 2008.

703 Some 60 per cent of learners say they are very likely to undertake further learning in the next three years. Around 7 per cent say they are fairly unlikely to undertake further learning. 6 per cent say they are very unlikely to do so.

Fee income

704 Theoretical fee income in FE provision in the North East fell to around £17.8 million between 2005/06 and 2006/07, reflecting a fall in enrolments. In percentage terms, this was the smallest fall of any region (4 per cent, compared with the national average of 6 per cent).

705 Actual fees collected also fell, though by just 0.1 per cent. This was in line with the fall in actual fees collected seen nationally (0.3 per cent).

706 FE providers in the North East collected 43 per cent of theoretical fee income in 2006/07. The proportion of theoretical fee income actually collected in the region increased by 1.8 percentage points between 2005/06 and 2006/07, compared with an average increase of 3.6 percentage points across England.

707 There is considerable variation in fee collection among providers in the region, and practice varies widely across FE. In particular, there are marked differences between FE colleges and local authority providers. The new national policy for fee generation and full cost provision will provide a framework for discussion with providers and for sharing best practice, as well as providing a methodology for setting targets.

Full cost provision

708 LSC funding is the main source of income for FE providers in the North East, but it is not the only source. Other sources include HE funding, research funding, investment income and full cost provision.

709 Full cost provision includes learning – often bespoke provision – which is not funded by the LSC, where fees are paid in full by learners or employers.

- Fee income from full cost provision where fees were paid by learners totalled almost £1.5 million in 2006/07, some 5 per cent of total income.
- Fee income from full cost provision where fees were paid by employers totalled over £3.6 million in the same year, 11 per cent of total income.

710 Fee income from full cost provision – particularly from employers – is forecast to increase over the next few years. Full cost income from learners is forecast to rise by 38 per cent between 2006/07 and 2009/10, while full cost income from employers is forecast to increase by as much as 500 per cent over this period. In comparison, total income is forecast to increase by 66 per cent.

By 2009/10, full cost income from employers is forecast to account for 41 per cent of total income among FE providers in the region.

Capital investment

- 711 Capital investment plays a major part in transforming the learning and skills infrastructure and creating world class learning facilities for individuals and employers. The North East has made significant progress in recent years in bringing the region's FE estate up to world class standard, with capital approval granted for schemes totalling £563 million since 2001.
- 712 Major developments in the region that have opened within the last 18 months include Middlesbrough College's new campus at Middlehaven, Gateshead College's Baltic Campus, Bishop Auckland College Phase 1, St Peter's Sixth Form College in Sunderland and Redcar and Cleveland College.
- Other recent schemes include Gateshead College's Sports Academy and Motor Vehicles Academy, New College Durham, Darlington College, City of Sunderland College's Usworth Campus and the Performance Academy and Skills for Life Academy at Newcastle College.
- 713 There is also a significant volume of capital projects in the pipeline. Once these projects are completed, it is estimated that 82 per cent of the region's FE college estate will fall within the 'world class' standard. If the current annual level of capital funding continues, we expect the modernisation and renewal of the FE estate in the region to be substantially complete by 2016.
- 714 Of course, the rebuilding and modernisation of the estate is not an end in itself. Capital investment is a key part of the Government's drive to boost productivity and global competitiveness. It will help secure capacity for high quality Diploma programmes, improve employer responsiveness, and build a more specialised and vocationally excellent FE system to deliver the ambitions set out in the Leitch report¹⁵⁴.
- 715 Our regional Capital Strategy 2008–2016, to be published in November, will contain a more detailed assessment of the current infrastructure. This is a shared strategy with One NorthEast, setting out how we will jointly and individually focus investment in the learning and skills infrastructure so that the region achieves its ambition for skills, as described in the Regional Economic Strategy¹⁵⁵.

¹⁵⁴ HM Treasury, 2006.

¹⁵⁵ One NorthEast, 2006.

References

- A O'Donnell, L Welamedage and E Lambie (2006) *Equality and Diversity in the North East: a statistical profile* (http://www.nerip.com/reports_briefing.aspx?id=626).
- BOW Community Projects (2003) *Learning and Skills Needs of Refugees and Asylum Seekers in Tyne and Wear*.
- Centre for Regional Economic and Social Research (2007a) *Easington's Incapacity Claimants*.
- Centre for Regional Economic and Social Research (2007b) *Wansbeck's Incapacity Claimants*.
- Centre for Research in Social Policy/National Centre for Social Research (2005) *A Summary of the Evaluation Evidence on the Adult Learning Grant* (<http://www.dcsf.gov.uk/rsgateway/DB/RRP/u013984/index.shtml>).
- DCSF (2006) *Raising Expectations: supporting all young people to participate until 18* (<http://www.dcsf.gov.uk/14-19/index.cfm?sid=42&pid=344&ctype=TEXT&ptype=Single>).
- DCSF (2007a) *Schools and Pupils in England: January 2007* (<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000744/index.shtml>).
- DCSF (2007b) *The Children's Plan: Building Brighter Futures* (<http://www.dcsf.gov.uk/publications/childrensplan/>).
- DCSF (2008a) *GCSE and Equivalent Examination Results in England 2006/07 (Revised)* (<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000768/index.shtml>).
- DCSF (2008b) *Level 2 and 3 attainment by young people in England measured using Matched Administrative Data: Attainment by age 19 in 2007 (provisional)* (<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000774/index.shtml>).
- DCSF (2008c) *Participation in education, training and employment by 16–18 year olds in England* (<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000792/index.shtml>).
- DCSF/DIUS (2008a) *Raising Expectations: Enabling the system to deliver* (<http://www.dcsf.gov.uk/consultations/downloadableDocs/Raising%20Expectations%20pdf.pdf>).
- DCSF/DIUS (2008b) *World-class Apprenticeships: Unlocking Talent, Building Skills for All* (http://www.dius.gov.uk/publications/world_class_apprenticeships.pdf).
- DfES (2005a) *14–19 Education and Skills* (<http://www.dcsf.gov.uk/publications/14-19educationandskills/>).
- DfES (2005b) *14–19 Education and Skills: Implementation Plan* (<http://www.dcsf.gov.uk/publications/14-19implementationplan/>).
- DfES (2007) *LSC Grant Letter 2007/08* (<http://www.lsc.gov.uk/aboutus/grantletters/>).
- DIUS (2008a) *Qualifications at a local level for adults: England 2007 and reweighted estimates for earlier years* (<http://www.dcsf.gov.uk/rsgateway/DB/STA/t000809/index.shtml>).
- DIUS (2008b) *Segmentation of adults by attitudes towards learning and barriers to learning* (<http://www.dius.gov.uk/research/documents/DIUS-RR-08-01.pdf>).
- DIUS/DWP (2007) *Opportunity, Employment and Progression: making skills work* (<http://www.dius.gov.uk/publications/7381-TSO-Skills.pdf>).
- HM Treasury (2006) *Prosperity for all in the global economy – world class skills* (http://www.hm-treasury.gov.uk/independent_reviews/leitch_review/review_leitch_index.cfm).
- Home Office (2008) *Asylum Statistics: 1st Quarter 2008, United Kingdom* (<http://www.homeoffice.gov.uk/rds/immigration-asylum-stats.html>).
- I Fitzgerald (2008, unpublished) *An Analysis of the North East Worker Registration Scheme Data: Second briefing paper for the Talent North East steering group*.
- IFF Research (2008) *National Employer Skills Survey 2007 for the North East* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).

- Institute for Employment Studies (2006) *Impact of Care to Learn: Tracking the Destinations of those Young Parents Funded in 2004/05* ([http://readingroom.lsc.gov.uk/lsc/National/Care to Learn Main Report FINAL 2 .pdf](http://readingroom.lsc.gov.uk/lsc/National/Care%20to%20Learn%20Main%20Report%20FINAL%20.pdf)).
- Institute for Fiscal Studies (2007) *Education Maintenance Allowance: Evaluation with Administrative Data* (<http://ema.lsc.gov.uk/evaluation-reports>).
- Institute for Public Policy Research (2006) *Destination North East? Harnessing the Regional Potential of Migration* (<http://www.ippr.org.uk/publicationsandreports/publication.asp?id=484>).
- Ipsos MORI (2008) *National Learner Satisfaction Survey (NLSS) 2007: Regional Report for FE system, North East*.
- LSC (2007) *Train to Gain: A Plan for Growth November 2007–July 2011* (<http://readingroom.lsc.gov.uk/lsc/National/nat-plan-for-growth.pdf>).
- LSC (2008a) *Framework for Excellence: Provider Guide 2008/09* ([http://readingroom.lsc.gov.uk/lsc/National/Framework for Excellence-Provider Guide.pdf](http://readingroom.lsc.gov.uk/lsc/National/Framework%20for%20Excellence-Provider%20Guide.pdf)).
- LSC (2008b) *Level 2 and Level 3 attainment by young people – local summary* (<http://www.lsc.gov.uk/providers/Data/statistics/learner/Level2and3attainmentbyyoungpeople-Localsummary.htm>).
- LSC (2008c) *Offender Learning and Skills Service: Custodial Provision, Ten month period August 2007–May 2008*.
- LSC (2008d) *Research into Expanding Apprenticeships* ([http://readingroom.lsc.gov.uk/lsc/National/Research into Expanding Apprenticeships for release .pdf](http://readingroom.lsc.gov.uk/lsc/National/Research%20into%20Expanding%20Apprenticeships%20for%20release.pdf)).
- LSC (2008e) *Train to Gain Employer Evaluation: Sweep 1 Research Report* (<http://www.lsc.gov.uk/providers/ttg/promoting/>).
- LSC (2008f) *Train to Gain Learner Evaluation: Report from Wave 1 Research* (<http://www.lsc.gov.uk/providers/ttg/promoting/>).
- LSC North East (2007) *North East Regional Strategic Analysis 2007*.
- LSC North East (2008a) *First Level 2 qualifications among adult learners in the North East* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008b) *Incapacity Benefit claimants in the North East* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008c) *Level 2 and Level 3 at age 19 in 2006/07: Key findings from the Matched Administrative Dataset* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008d) *Lone parents in the North East* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008e) *NEET Spatial Analysis: Study of the 16–18 year old NEET group in the North East region* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008f) *Qualification levels of adults in the North East* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (2008g) *The 14–19 cohort in 2009/10 and beyond* (<http://www.lsc.gov.uk/regions/NorthEast/Aboutus/strategic-analysis/>).
- LSC North East (forthcoming) *Geodemographic segmentation of learners in the North East*.
- National Offender Management Service (2008) *Regional Commissioning Plan 2008/09: North East* ([http://noms.justice.gov.uk/news-publications-events/publications/strategy/North East RCP 08?view=Standard&pubID=526824](http://noms.justice.gov.uk/news-publications-events/publications/strategy/North%20East%20RCP%2008?view=Standard&pubID=526824)).
- NIACE (2007) *The Road to Nowhere? NIACE survey on adult participation 2007* (<http://www.niace.org.uk/Publications/R/Roadnowhere.asp>).
- NIACE (2008) *Counting the cost: NIACE survey on adult participation in learning 2008* (<http://www.niace.org.uk/Publications/C/CountingCost.asp>).

North East Regional Information Partnership (2006) *A Study of Recent Population Migration Trends* (http://www.nerip.com/Reports_Briefing.aspx?id=214).

North East Regional Information Partnership (2008) *State of the Region 2008* (http://www.nerip.com/reports_briefing.aspx?id=564).

One NorthEast (2006) *Leading the Way: Regional Economic Strategy 2006–2016* (<http://www.onenortheast.co.uk/page/res.cfm>).

Quality Improvement Agency (2007a) *Assessing the reasons for improvements in Apprenticeship completions* (http://excellence.qia.org.uk/pdf/94036-Final%20ReportWeb_re_3.0_20080103.pdf).

Quality Improvement Agency (2007b) *Pursuing Excellence: The National Improvement Strategy for the further education system* (<http://www.qia.org.uk/pursuingexcellence/index.html>).

R Sabates, L Feinstein and E Skaliotis "Who Achieves Level 2 Qualifications During Adulthood? Evidence from the National Child Development Study" in *British Journal of Educational Studies* vol. 55, no. 4, December 2007.

RCU (2007) *Evaluation of the EMA National Roll-out* (<http://ema.lsc.gov.uk/evaluation-reports>).

York Consulting (2008) *14–19 Curriculum Offer: Transport-Related Issues and Solutions* (<http://www.dcsf.gov.uk/rsgateway/DB/RRP/u015185/index.shtml>).

Creator	Andrew Rowell
Job title	Research Adviser
Email	andrew.rowell@lsc.gov.uk
Phone	0191 492 6424
Date created	20 August 2008
Publication number	LSC-P-NER-080015
LSC office	LSC North East Region Regional Office Moongate House 5th Avenue Business Park Team Valley Gateshead Tyne and Wear NE11 0HF T 0845 019 4181 F 0191 491 6159 www.lsc.gov.uk